

1/5 in Seoul and 1/3 in Gangnam bought Imported Cars

- 42% of over 10 mil. Won monthly income purchase Imports
- 71% of previous Imports owners bought Imports again

Imports is continuing its rapid growing trend in sales. Who are the purchasers of Imports? In the Imports purchase rate within past 1 year, previous Imports owners was the highest, followed by high income group with monthly over 10 mil. won. By region, 1/5 of new car buyers in Seoul within past 1 year, 1/4 of new car buyers in 3 Gangnam Districts and 1/3 of new car buyers in Gangnam-Gu purchased Imports. Gangnam-Gu had more Imports purchasers than Hyundai.

In Automobile Syndicated Research conducted in July 2013 with over 100,000 respondents by Marketing Insight, an automotive specialized research firm (CEO Jin-Kook Kim), 7,811 new passenger car (including SUV) purchased (including lease & rental) consumers within past 1 year were analyzed for their specifics. In the analysis results, the groups with 3%p or higher in Imports purchase rate than the total respondents at 12% were listed separately for analysis [Tab.1].

The people with the highest Imports purchase rate were those who owned Imports previously. 71% of them purchased Imports again to replace the previously owned Imports. This is much higher than repurchase rate of domestic cars, revealing high consumer loyalty of Imports. One can guess that the possibility of substantial number of consumers returning back to domestic cars after switching to Imports is not that high.

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**[Table 1] Imports/Domestic purchase rate by purchaser specifics
(New car buyers within a year)**

Purchaser specific		Imports purchase	Domestic purchase
Total		12%	88%
Previously owned vehicle	Imports	71	29
Monthly income (personal)	6~9 mil. won	21	79
	10 mil. Or over	42	58
Monthly household income	6~9 mil. won	15	85
	10 mil. Or over	32	68
Region	Seoul	19	81
	- 3 Gangnam Districts	27	73
	- Gangnam-Gu	33	67
Occupation	Self-employed	16	84
	Professional/Managerial	22	78
Hobby	Golf	25	75
Family stage	Early stage without kid	17	83

Following the Imports owner in Imports purchase rate was high income group. 42% of over 10 mil. won monthly income (individual) group and 21% of 6-9 mil. Won group purchased Imports. By household income, 32% of over 10 mil. won monthly income household and 15% of 6-9 mil. Won income household purchased Imports, displaying income level is the decisive factor to Imports purchase. This also displays larger market opportunity of Imports as the income level goes up and Imports price goes down.

Seoul is a representative residential area of high income group. At the center, there are 3 Gangnam Districts, among which Gangnam-Gu is located as the 1st street of Imports with showrooms of all the Import brands. Imports purchase rate in Seoul is 19%, which is over 1.5 times of national average (12%). 3 Gangnam Districts in it, Gangnam, Seocho and Songpa, exceeds twice of national average at 27%, while Gangnam-Gu is at 33%, meaning 1 out of 3 new car purchased residents bought Imports. This figure (63 persons among 190 Gangnam-Gu respondents) runs ahead of Hyundai purchasers (62 persons), revealing unprecedented situation

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of Hyundai getting behind of Imports.

Golf enjoying people had very high Imports purchase rate at 25%, proving the worth of golf marketing in its own way. Also married without child in 30s had high Imports purchase rate at 17%.

During the past few years, Imports had sprinted like a storm. Recently, it had expanded market share by over 2%p in each year without showing a chance of slowing down. Seemed too far 10% barrier was broken easily in 2012, and now a forecast says 20% in 2016 after just 3 years from now ([Imports, going for 20% by 2016](#)). The forecasted Imports M/S at 20% by 2016 should be noticed because it is on a similar level with 2013 Imports M/S in Seoul at 19%. When looking into that, nobody can advocate that Imports cannot go beyond 2013 M/S of Seoul at 19% and reach 27% M/S in 3 Gangnam Districts and 33% in Gangnam-Gu. Although it is a limited results in a limited region, running ahead of Imports over Hyundai in Gangnam-Gu cannot be ignored.

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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 than 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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