

Analysis on Automobile Consumers' Satisfaction

- (2) A/S Satisfaction of Imported cars is similar with domestic tailender

- European cars are lower than domestic tailender
- Imports is superior in Sales service

Imported cars in overall have competitiveness against domestic cars. Domestic car are relatively doing well in service areas. It surpassed Imports with a slight difference in After-sales service division but lagged behind in Sales service. Among the Imported cars, Japanese cars had distinguished performance in both divisions, whereas the average of A/S satisfaction of European cars was below of the lowest of domestic cars. In After-sales service division, Honda stood up at top for 2 consecutive years among the entire brands, and Mercedes-Benz ranked first for two consecutive years in Sales service.

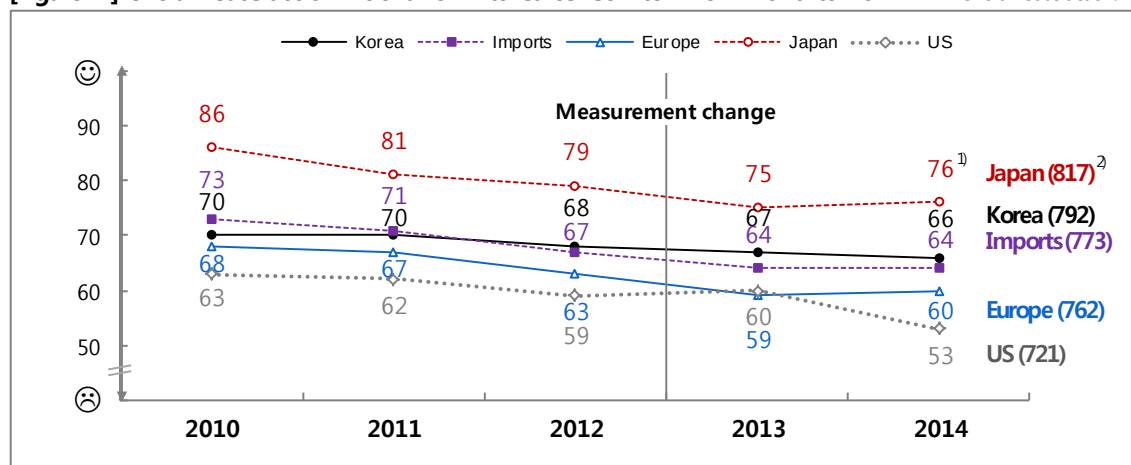
Marketing Insight, automobile specialist research firm, has conducted large-scale syndicated studies (101,821 sample size in 2014) in July every year since 2002 on "Customer satisfaction and experienced quality of car". [Figure 1] and [Figure 2] are the summary of the recent five years results of domestic and imported cars' 'Overall satisfaction rate' that appeared in the satisfaction study of sales service and after-sales service. [Table 1] and [Table 2] are the ranking and scores of excellent brands that performed above average score in each division.

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[Figure 1] Overall Satisfaction trend of After-sales service from 2010 to 2014

Overall Satisfaction: %



1) Rate of 8 points or over in a 10-point scale

2) Customer satisfaction: Calculated score on 1,000 point scale with weight on entire items

- After-sales service

'Overall satisfaction' is the rate of 8 points or over score in the result of 10-point scale evaluation for the A/S services that consumers have received from the Official-Authorized-Associated service centers during the past 1 year. Overall satisfaction of domestic car owners was 66%, which was 2%p higher than Imported cars at 64% [Figure 1]. After-sales service is the only division that Imported cars are lagged behind of domestic cars among 6 quality and customer satisfaction related measurements (Refer to: [Almighty competitiveness of Imported cars, the only weakness is A/S](#)). Imports, which had kept the advantage, has been lost for 3 consecutive years since the reversal by domestic car for the first time in 2012

After-sales service is a division that has the largest gap by the origin of car. Japanese cars have kept the overwhelming superiority during the past 13 years since 2002 when this study was launched. It has continued outstanding performance with over 10%p gap with the second place almost every year. And in this year, it surpassed the second place Korea by 10%p.

Since the rank was reversed by domestic car for the first time in 2010, European cars are lagged behind for five consecutive years, and is showing completely different move from Sales performance. American cars surpassed European cars for the first time last year but it displayed the performance at the lowest level in this year again.

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After-sales service satisfaction score, which was calculated at 1,000-point scale, was in the same order with the Overall satisfaction rate as Japan at 817 points, Korea at 792 points, Europe at 762 points and the United States at 721 points, while the industry average was 791 points. When looking at the brands with over the industry average score [Table 1], Honda (831 points) stayed at the first place for two years in a row, followed by Toyota (829 points). Renault Samsung and GM Korea took the tied third place with 816 points. Lexus, Benz, Ssangyong and Nissan recorded above-average scores.

[Table 1] Excellent brands in After-sales service satisfaction

Rank	Brand	Score ¹⁾	Gap ²⁾
1	Honda	831	(+10)
2	Toyota	829	(+16)
3	Renault Samsung	816	(+6)
3	GM Korea	816	(-3)
5	Lexus	814	(+7)
6	Benz	812	(+17)
7	Ssangyong	810	(-3)
8	Nissan	801	(-10)
Industry average		791	(+3)

1) Satisfaction Score (1,000-point scale)

2) 2014 Score-2013 Score

[Table 2] Excellent brands in Sales service satisfaction

Rank	Brand	Score ¹⁾	Gap ²⁾
1	Benz	812	(-18)
*	Toyota	810	(-17)
*	Lexus	802	(-)
2	BMW	783	(-6)
3	Renault Samsung	765	(-46)
4	GM Korea	764	(-44)
5	Ssangyong	752	(-11)
Industry average		750	(-33)

* Excluded from ranking, due to insufficient sample (30~59 cases)

1) Satisfaction Score (1,000-point scale)

2) 2014 Score-2013 Score

The average of Japanese (817 points) was higher than the domestic 1st place, and all the major brands belonged to the top ranking group. On the other hand, the average of the European cars (762 points) was 10 points lower than the lowest domestic (772 points). Not a few percentages of currently owned European cars are purchased for the first time and under warranty at the same time. This period doesn't require relatively excellent After-sales service but having this much low evaluation is a serious matter. After-sales service of European cars can cause serious problems unless it rises significantly from current level.

- Sales service

In Overall satisfaction (the rate of 8 points or over in a 10-point scale) for Sales service by consumers who purchased a new car within past 1 year, Imported cars had dominated all the way, but the past three years (2011-2013) had almost no difference [Figure 2]. Imported cars of

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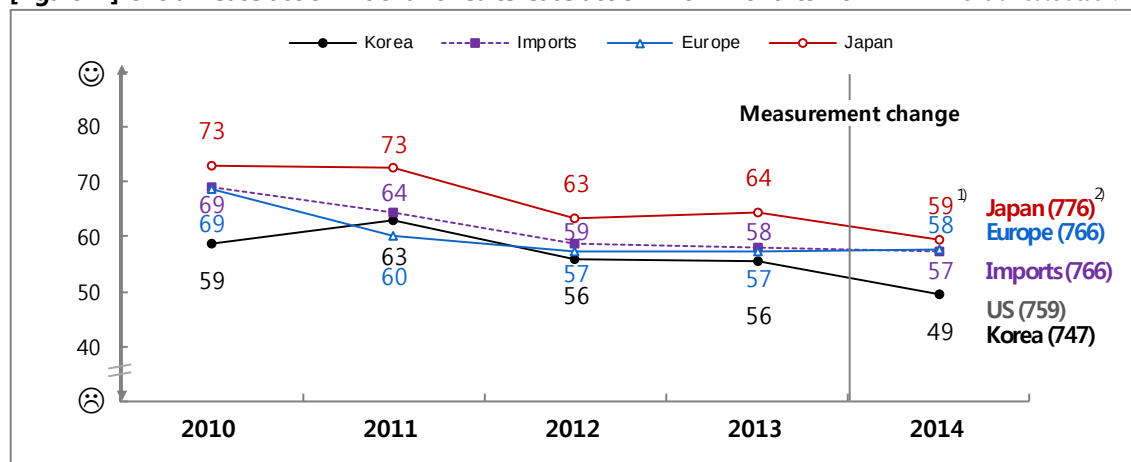
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this year was status quo at 57% satisfaction rate, but domestic cars significantly declined by 8%p from 56% to 49%.

[Figure 2] Overall Satisfaction trend of Sales satisfaction from 2010 to 2014

Overall Satisfaction: %



By country of origin, Japan (59%) was the highest, followed by Europe (58%) the United States (51%) and Korea (49%) at the bottom. Japanese cars had surpassed European cars by not-so-little difference but in this year, it declined by 5%p and became about the same level (1%p gap).

In satisfaction score of Sales service, which was calculated at 1,000-point scale, Japan scored 776 points, followed by Europe at 766 points, the United States at 759 points and Korea at 747 points, showing the same order as the satisfaction rate, while the industry average was 750 points. Above average brands and their scores are presented in [Table 2]. 1st place brand was Benz (812 points) for two years in a row, followed by BMW (783 points), Renault Samsung (765 points), GM Korea (764 points) and Ssangyong (752 points).

The reasons why no Japanese brand was included in top ranking group but was 1st place in comparison among country of origin, is because they are excluded from the ranking, due to insufficient cases. Toyota and Lexus had scores corresponding to 2nd and 3rd in top ranking group, if they had sufficient number of samples (60 cases or over).

Industry average in this year had significantly declined by 33 points from last year because

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of the changes in measurement method that moved more weight to 'Post-sales customer-care' (42% of the total). Renault Samsung (-46 points) and GM Korea (-44 points) are the makers that declined the most from last year.

The reason for significantly lower evaluation of domestic manufacturer than that of Imported cars is associated mainly with sales outlet. 'Access' to the sales-outlet, 'Facility' of sales-outlet and 'Staff' of sales-outlet has received the lowest ratings. It will be able to catch up Imported cars when it has significant improvements in Facility of sales-outlet and work attitude of staff.

In service areas, Imported cars in Sales and domestic cars in After-sales service had strengths. After-sales service is very important as satisfaction during ownership period and a selection criterion when buying next car. The current After-sales service of Imported car, to be exact European Imported cars, is serious as it cannot be emphasized any more. The average of European cars is below of the lowest competitor among domestic cars. Unless the After-sales service of European cars greatly improves, it may develop into a fatal weakness.

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Marketing Insight Inc. has conducted 'Automobile Quality and Customer Satisfaction Study' in every July from 2002 to 2014 with 100k consumers. The study results had been announced as press releases from the end of Sep. every year. Also the results are utilized by domestic major automakers, auto-importers and automotive-related enterprises.

Media release contents and '[Korean Automobile Quality Report](#)' 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 2014
- Data collection method: Online e-mail survey
- Sample size: Total 101,821 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 2002.

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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