
Analysis on Automobile Consumers' Satisfaction (4) Benz at top in Overall Satisfaction

- Benz in top ranking group in all divisions including Product & Service
- Japanese cars have the best capability but out of ranking, due to insufficient sample
- American Ford revealed growth possibility
- Consumers are becoming more critical to domestic cars & makers altogether

As the overall evaluation of consumers associated with car, there are 'Quality Stress of automobile' and 'Overall Satisfaction for automobile manufacturer'. Imported car consumers had less stress from the car and higher satisfaction with purchased car maker than domestic car consumers. By country of origin, Japanese car was the first place in both divisions, while Benz was the first place in both divisions among brands. The reason for Benz at 1st place in Maker Overall Satisfaction is because it had the top-level performance in all other sectors also.

In 2014 Annual Syndicated Research of Marketing Insight, an automobile specialist research firm, the consumers who purchased new car within one year were asked to grade 'the stress experienced from the car until now' and 'the maker when considering the overall sales · service · quality of the maker (brand), from which you purchased the car, on a scale of one to ten'. On the basis of that, Satisfaction rate (percentage of 8 points or over) and Satisfaction score (Maximum 1,000 points) were calculated.

- **Quality Stress (7,383 respondents):** Emotional experience such as Discomfort · Anxiety · Loss · Anger experienced directly from products and services while consumers within one year after the purchase of a new car has used is Quality Stress. The consumers answer how many 'case' of stress experienced, and then evaluated overall stress level on 10-point scale.

In the results of Overall Satisfaction rate on stress aspect for the past five years (percentage of 8 points or over on 'stress-free'), domestic car was lower than imported cars every year. In other words, domestic car consumers experienced more stress. The gap became larger in this year, making the Overall Satisfaction rate becoming 13%p lower (domestic at 57%, Imports at 70%). By Country of Origin, Japanese cars had the highest satisfaction rate at 74%, followed by

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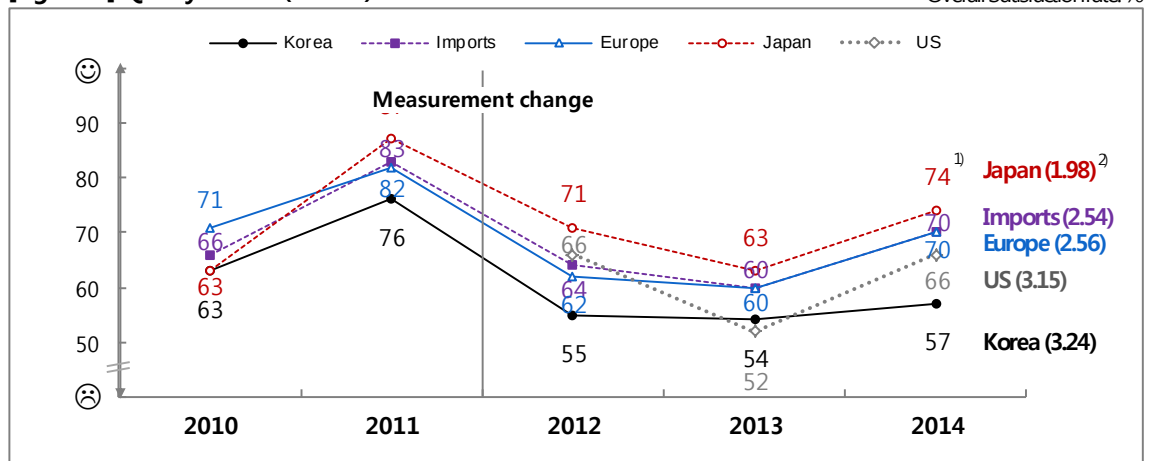
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Europe (70%), the United States (66%) and Korea (57%) [Figure 1]. Last year, American cars were below of Korea at the bottom but increase by 14%p, closing to the average of imported cars.

[Figure 1] Quality Stress (~1Year) in 2010-2014



In the number of experienced 'cases' of stress, Japanese car consumers had the least at 1.98 cases, followed by Europe at 2.56 cases, the United States at 3.15 cases and Korea at 3.24 cases, in order.

The makers with less number of experienced stresses than Industry average (3.14 cases) were selected as Outstanding brands [Table 1]. Benz had the least with 1.73 cases, followed by Volkswagen at 2.42 cases, BMW at 2.51 cases, GM Korea at 2.81 cases, Audi at 3.02 cases and Renault Samsung at 3.05 cases, being classified as outstanding brands. Japanese brands such as Lexus, Honda and Toyota showed the performance of top class but not included in ranking, due to insufficient number of cases. Regardless of the ranking, customer stress management of Japanese brand deserves to follow.

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[Table 1] Outstanding Brands in Quality Stress (~1Year)

Rank	Brand	2014		2013	
		SPU ¹⁾	Gap ²⁾	SPU	Rank
*	Lexus	1.68	(-)	3.02	
1	Benz	1.73	(-1.11)	2.84	3
*	Honda	1.82	(-)	2.76	
*	Toyota	1.86	(-0.34)	2.19	1
2	Volkswagen	2.42	(-0.37)	2.79	2
3	BMW	2.51	(-0.36)	2.86	3
4	GM Korea	2.81	(-0.29)	3.09	4
5	Audi	3.02	(-0.54)	3.56	9
6	Renault Samsung	3.05	(-0.06)	3.11	6
Industryaverage		3.14	(-0.04)	3.18	

* Excluded from ranking with insufficient samples (30~59 cases)

1) SPU (Stress Per Unit): Number of experienced stress per car, the lower number means better score

2) 2014 SPU - 2013 SPU

- **Maker Overall Satisfaction (Number of respondents: 7,443 persons):** There are several satisfaction indices in Automobile Syndicated Research. 'Maker Overall Satisfaction' is a score on 10-point scale question asking 'how do you evaluate the **Maker** when considering the overall sales · services · quality of the maker that you have been evaluated until now' after asking satisfaction question on each index. This question was asked to all respondents but targeted the consumer who purchased new car within one year only for analysis in order to compare with other data.

The results over the past five years on Overall Satisfaction rate (percentage of 8 points or over) for overall Sales · Services · Quality of the purchased car maker displayed a big gap between domestic cars and imported cars. Although there was a great gap of over 20%p, the results of this year displayed Imports at 55% going ahead of domestic car at 37% with a large gap (18%p) [Figure 2]. The large gap with imported cars is also a problem, but only 37% of consumers, who purchased domestic vehicles within 1 year, are satisfied with the maker is at too low level. And the declining rate steadily every year is a very serious matter. This result indicates that the consumers of Korea vehicle are becoming more and more negative about the overall automotive industry. When they are negative for domestic automotive industry, migrating to imported cars is a natural choice.

By Country of Origin, Japanese (60%) and European (55%) were up ahead, and American (49%) was also higher than domestic (37%) by over 10%p. Again after the Quality stress, it is

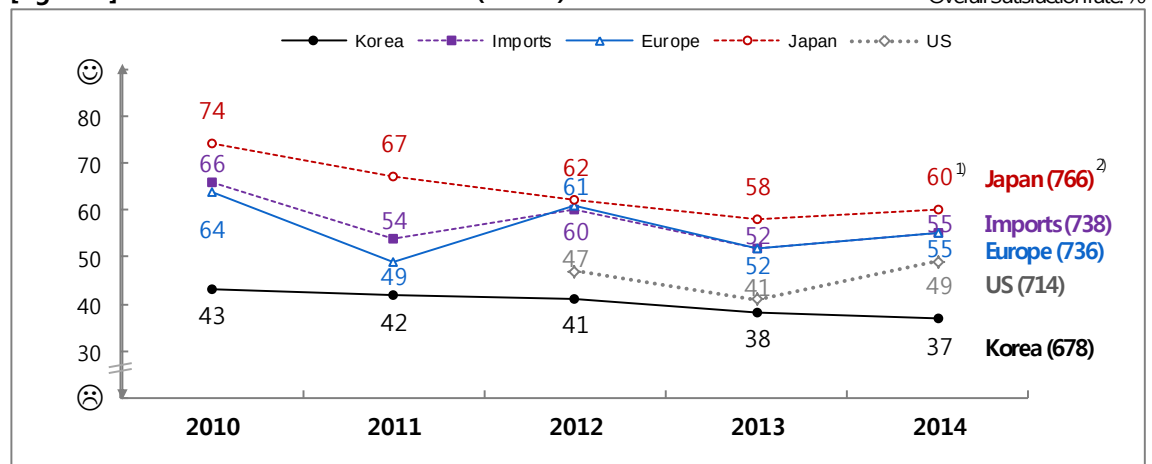
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necessary to follow Japanese in Maker Overall Satisfaction also.

[Figure 2] Maker Overall Satisfaction rate (~1Year) 2010-2014



Japan had the highest Maker Overall Satisfaction at 766 points that was converted into 1,000-point scale, followed by Europe at 736 points, the United States at 714 points and Korea at 678 points, in order. Korean automakers are behind of Imports by 60 points, and significantly behind of Japanese cars by around 90 points.

The brands with better score than Industry average (687 points) were selected as the outstanding maker in Overall Satisfaction [Table 2]. Benz (790 points) took the 1st place among entire brands, followed by BMW at 756 points, Volkswagen at 722 points, GM Korea at 721 points, Renault Samsung at 715 points and Audi at 703 points, being classified as the outstanding makers. Japanese makers such as Lexus, Toyota and Honda were also among the highest class but excluded from ranking because of small number of cases. Ford also had top class performance but excluded from ranking. Ford belonged to top ranking group in Maker satisfaction following Product satisfaction (refer to: [Analysis on Automobile Consumers' Satisfaction \(3\) - The biggest strength of Imported car is Product capability](#)).

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[Table 2] Outstanding Brands in Maker Overall Satisfaction (~1Year)

Rank	Brand	2014	2013	
		Score ¹⁾	Score	Rank
1	Benz	790	780	2
*	Lexus	788	745	
*	Toyota	776	788	1
*	Honda	771	751	
2	BMW	756	748	3
3	Volkswagen	722	741	4
4	GM Korea	721	725	5
*	Ford	720	715	
5	Renault Samsung	715	723	6
6	Audi	703	687	8
*	MINI	693	724	
Industry average		687	694	

* Excluded from ranking with insufficient samples (30~59 cases)

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

Quality stress and Maker Satisfaction are related to the overall activity of maker unlike other indices. Benz took the first place in both sectors, reigning as the maker that provide the best customer satisfaction among the vehicle brands active in Korea now. Benz was not only the 1st place in Sales service but also at top class (2nd place) in Product Reliability and Product Attractiveness. Also in A/S service, which is the biggest weakness of imported vehicles, Benz was also included in the outstanding brands as the only European brand at first place among them. Benz ranked first in the Overall Satisfaction was out of the outstanding performance in all the others fields. Benz is the subject that not only imported cars, but all companies should benchmark.

By country of origin, Japanese had outstanding evaluation in Customer Satisfaction, but it was not included in the ranking because sales volume did not support in many cases. The sluggish sales of Japanese cars appeared to be caused by the high evaluation among recent purchasers in product capabilities, which is closely related to sales, but not recognized by general consumers. If Japanese cars can increase the sales by overcoming the underestimation of general consumers, it is possible to dominate the top ranks in every evaluation of consumers. In addition, when it revives the strengths in customer satisfaction aspect, it will be able to escape from the current difficulties.

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American cars, especially the rise of Ford is not less to be ignored. The number of cases of Ford is not many but it got into the top ranks in Product Capabilities evaluation and the Maker Overall Satisfaction. Also it had good evaluation in fuel economy aspect. The potential of Ford should be noticed carefully.

The attitude of domestic consumers toward domestic cars and domestic automakers is negative and getting more and more negative. Negative attitudes like this have brought many benefits to imported cars in reflection. On the flipside of explosive growth of imported cars, there is antagonizing emotion toward domestic automotive industry that is affecting more than the advantage of imported cars.

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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.

[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.

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