

Automobile Purchase Behavior 5

- Who is the Main Competitor of Imports?

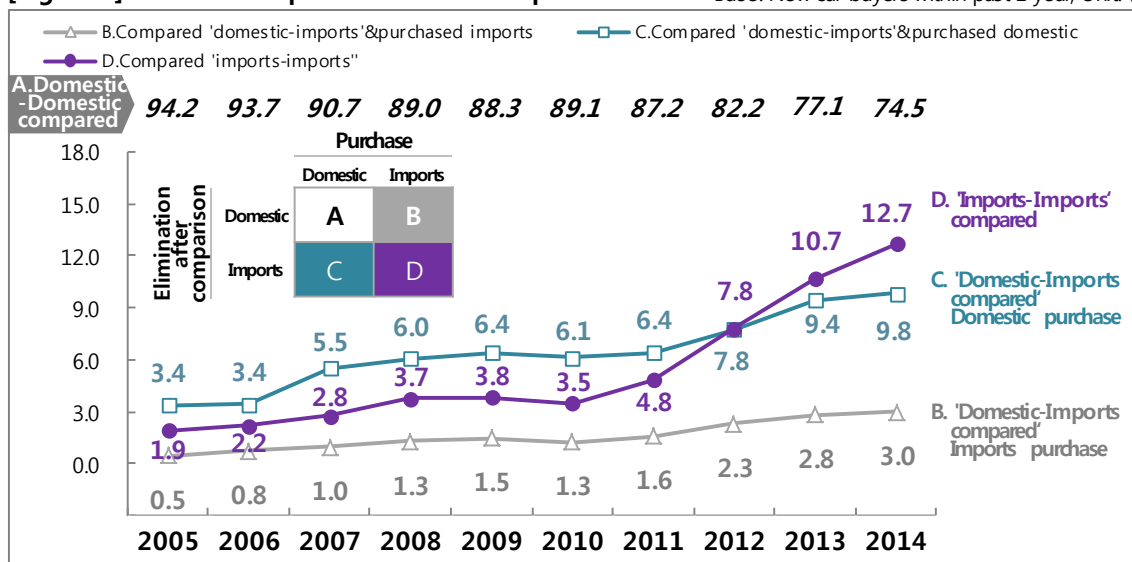
- The main competitor of Imports is Imports
- Only 19% of Imports buyers compared with Domestic cars

4 people in five imported car purchaser during the past 1 year considered imported cars only. People who chose imported cars after comparing the domestic and imported cars were only one in five people.

Automotive specialist research firm, Marketing Insight (www.mktinsight.co.kr), asked the consumers, who purchased a new car during the past 1 year, about their previous car for domestic or imported, and with which car compared at the time of purchase in Automobile Syndicated Study that had been conducted in July every year. The summarized results of asking whether the compared with the purchased new car is domestic or imported during the past 10 years is [Figure 1].

[Figure 1] Trend of competition structure at purchase

Base: New car buyers within past 1 year, Unit: %



[Figure 1] gives multiple implications for automobile consumers' purchasing behavior.

- People who considered 'Domestic car only' while buying a car during the past 10 years

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had decreased by 20%p from 94.2% to 74.5%. This means that the people who considered imported cars also had increased to more than four times from 5.8% to 25.5%.

- The rate of considering 'imported cars only' had increased by nearly 7-fold from 1.9% to 12.7%. The majority of this increase had been made since 2011.
- On the other hand, the percentage comparing 'domestic and imports' had increased only by about three times from 3.9% (3.4% + 0.5%) to 12.8% (9.8% + 3.0%).

To determine what kind of comparison had made in the purchase process of new car buyers within past 1 year, a separate table was drawn [Table 1].

[Table 1] %

		Recently purchased car		
		Domestic	Imports	Total
Not purchased after comparison	Domestic	74.5	3.0	77.5
	Imports	9.8	12.7	22.5
	Total	84.3	15.7	100.0

- People who purchased imported cars after considering 'imported cars only' was 12.7% of the total, while people who compared domestic and imports was 12.8% (3.0% + 9.8%). For the first time ever, 'considered imported cars only' had grown to the level of overtaking 'compared domestic and imports'.
- Among the people who 'compared domestic and imports', domestic car purchase was 77% (9.8%/12.8%) and imported car purchase was 23% (3.0%/12.8%). More than three out of four people selected domestic after comparing domestic with imports. The main reason was 'Price/purchase condition' ([Refer to: Automobile Purchase Behavior 3: Reason for Not Buying Imports after Consideration -1st is Price, 2nd is A/S](#)).
- 81% (12.7%/15.7%) of the people who purchased imported cars (15.7%) considered 'imported cars only', while 19% (3.0%/15.7%) compared 'domestic and Imports'. The comparison rate of comparing 'domestic and Imports' fell below 20% for the first time in past 10 years, and is expected to be further declined in the future. In other words, the era of imports to be the main competitor of imports has come.

The most notable trend now is 20%p decrease of 'considered domestic only' during the

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past 10 years, and 9.2%p increase of 'considered imports only' during the past four years. In the comparison between 'domestic and imports', the winning rate of domestic is good at 77%. However, the fact that the reason for the purchase of domestic and non-purchase reason of imported cars is because of 'Price/purchase condition' ([Refer to: Automobile Purchase Behavior 3: Reason for Not Buying Imports after Consideration -1st is Price, 2nd is A/S](#)) makes it difficult to have optimistic outlook. That means there are not a few reserved demands that considered imported cars but gave up because of the concern on price. When the spreading of low cost and small imported cars is actively carried out, the frontline with 'domestic and imports' is expected to be expanded, and the winning percentage of domestic is likely to be lower than it is now.

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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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the study can be found at www.autoinsight.co.kr

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