

2016 Automobile Consumer Reports; Why are people flocking to imported cars?

1. Up to where can Imported cars reach?
2. Why do they consider imported cars?
3. Which one should be blamed? Product or Brand?
4. Greatly satisfied when switching from domestic to imported cars! What about vice versa?
5. **Hyundai Motors, a company that does reverse discrimination after growing because of consumers**
6. 70% of imported cars 'will engage airbag upon accident'. How about domestic cars?
7. Vehicle corrosion, misunderstanding and truth

5. Hyundai Motor, a company that does reverse discrimination after growing because of consumers

- **Discriminate domestic consumers in quality assurance & parts aspects**
- **Becoming better are the company owner and labor union only when Hyundai performs well**
- **Hyundai Motor labor union is selfish nobility union**

Consumers are not satisfied with the quality of domestic cars, and have dissatisfaction against the company. The reason they are flocking to imported cars is the result of these two factors working at the same time. Realistically, domestic car means mostly Hyundai Motor, and the disappointment of consumers is focused on Hyundai Motor. A part of them are becoming anti-Hyundai beyond disappointment. Why did they become antagonistic?

There are a large number of anti-Hyundai crowd on the Internet. Among them, there are moderate and reasonable anti-Hyundai but some are extremists. Although there are few, some people are almost paranoid. They unconditionally believe likable information but unconditionally ignore dislikable one. They are sarcastic and ridicule the positive talks about Hyundai but they are automatically sympathy as long as it is a negative, while pouring out favorite abuses and curses.

Problem is that the number of people who behave like that and sympathize to such claims

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is gradually increasing. Consumers' experienced satisfaction with the company called Hyundai Motor is continuously going down. Unlike the market share, it is mired from the lowest rank among entire automakers. Among the customers who purchased Hyundai car as new car within the past one year, less than 40% showed a satisfactory response (8 points or more in a 10-point scale). They bought Hyundai model because there is no suitable alternative, not because they like the company.

In order to find out what is at the root of this attitude, seven conflicting opinions for Hyundai Motor were presented to ask which side they sympathize between positive and negative opinions. In the result, most of the consumers are more empathized with negative opinions. The largest empathy includes the claim that it is discrimination against domestic consumers with 'Warranty policy in the United States' (80%) & 'Use of better parts in exported cars' (78%) [Figure 1]. In other words, 8 out of 10 consumers believe that Hyundai Motor is preferential to overseas consumers, while discriminating domestic consumers.

[Figure 1] Perception on Hyundai Motor*

 Negative attitude	Hyundai enthusi- asts	Imports intenders	Total		Positive attitude 
10 years 160k km warranty in US is discriminating domestic consumers	66	86	80	20	10 years 160k km warranty in US came from confidence in quality
Discriminating domestic consumers by using better parts in exported cars	67	86	78	22	Difference in export-domestic products is because of different regulations of each country
Hyundai becoming to global company is because of support of consumers even with their loss	63	85	73	27	Hyundai becoming to global company is because of outstanding leadership & passion of management
Hyundai Motor labor union is a nobility union that unduly pursue own benefit only	75	78	71	29	Hyundai Motor labor union justly protects the rights of laborers and preventing the arbitrary decision of management
2 nd or 3 rd class level in review of domestic vehicle quality	45	80	66	34	Making global top class cars through quality management
Better Hyundai can benefit the company owner & union only	37	72	57	43	Better Hyundai Motor will bring benefit to both state & society
Company with no global competitiveness that relies on domestic demand	34	65	48	52	Globally competitive Korean company

Q. Which side do you think is more proper between contradicting opinions about Hyundai Motor?

*Cases : Owners & Purchase intenders (n=6,471), Hyundai car enthusiasts (n=351), Imports intender (n=632)

The more important issue beyond 'Discrimination' itself is the recognition, from which they are being discriminated. 3/4 (73%) of consumers believe that Hyundai Motor has grown to a global company because of 'the domestic consumers who had supported it even with their loss. Nevertheless, rather than the opinion to view better Hyundai Motor bringing 'Benefit to both the state and society' (43%), 'Only good to the company owner and labor union' was the

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predominant opinion (57%). In addition, 7 out of 10 people (71%) agreed to 'Hyundai Motor labor union is a nobility union that unduly pursue their own interests only'.

In summary, the majority of consumers believe that Hyundai Motor has ignored the dedicated contribution of domestic consumers but has been diligent to fill their (owners and union) benefits, while returning the favor with the cold shoulder in quality and service aspects.

Such opinion is not common to everyone. The opinion of Hyundai car enthusiasts, who bought Hyundai car as the past & current cars and will buy Hyundai car even in the future, is different. They are 20%p less negative on the facts such as discrimination and contribution, while more positive about current status and future. They prospect that Hyundai is doing well now, although there is a little discrimination, and will benefit the national society.

On the other hand, the consumers, who consider imported cars as the next purchase, are much more critical. Especially, they are very negative on the current situation and the future. Unlike Hyundai car enthusiasts, imported car intenders have given up the expectation already.

Hyundai car enthusiasts and imported cars intenders displayed contradictory tendency of positive and negative in 6 out of 7 questions, as compared to the entire respondents. More negative reaction from both sides came out from the question related to 'Nobility union'. 71% of the entire consumers called it as 'Nobility union', while Hyundai car enthusiasts and imported cars intenders were more critical at 75% & 78%, respectively. That's because Hyundai car enthusiasts are viewing the relationship between union and the company as confrontational with each other by separating them.

When looking at the results so far, consumers are more critical for the company rather than Hyundai Motor products, while the core of the antipathy against company is the sense of reverse discrimination even with the contribution to the growth. It's because they see the behavior of Hyundai Motor as ungrateful. Such idea is not only make many consumers switch to imported cars, but also generates the anti-Hyundai propensity.

And then, which Hyundai Motor related experience or judgment does make consumers to give up, or make them aggressive?

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◆ **Reference : 「Consumer Insight」 Annual Automobile Syndicated Study Outline**

The contents was excerpted and summarized from the results of annual 'Automobile Syndicated Study' conducted by Consumer Insight Inc. from 2001 to 2015 (for 15 years).

Population	Car owners/ purchase intenders within next two years	Total	1,690,945
Sampling Frame	Random sampling with quota from Consumer Insight IBP (Invitation Based Panel) & Major portal site members	2015	105,672
Sampling Method	Quota sampling by gender/ age	2014	101,821
Study Method	E-mail survey	2013	101,701
Sample Size	Yearly average 100,000 persons	2012	95,012
Study Contents	U&A (Usage and Attitude) info. & CEQ (Consumer Experienced Quality)	2011	97,356
Study Period	Every July	2010	106,291
		2009	91,129
		2008	95,472
		2007	105,149
		2006	106,088
		2005	139,825
		2004	171,499
		2003	118,195
		2002	129,277
		2001	126,458

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