

[Automobile Syndicated Study 2002-2014 Summary]

02. How Serious is Imported Cars' Inferiority in A/S Service?

- Imported cars' A/S service turned to inferiority since 2012 from prior superiority against domestic cars
- Domestic cars & imported cars both have superior · inferior parties
- Domestic cars with superior A/S service include Renault Samsung · GM Korea · Ssangyong, while imported cars with superior A/S service include Japanese brands
- Domestic first place does not reach the average of Japanese brands, while the average of European brands does not reach the lowest domestic brand
- The best model student is Ssangyong

Consumer Insight, a research firm specialized in consumer evaluation (former Marketing Insight, CEO, Kim, Jin-Kook), summarized 'Consumer evaluation study on automobile quality and customer satisfaction', which has been conducted every year for 14 years from 2001 to 2014 (total 14 waves, 1.58 million people surveyed). The result of the study says that the only weakness of imported cars is A/S service ([Refer to: \[Automobile Syndicated Study 2001-2014 Summary\] 01. Why Do Consumers Switch to Imported cars from Domestic cars?](#)). The A/S service of imported cars has been pointed out as a problem for a long time but it wasn't until three years ago when its rating actually dropped below to domestic cars. This problem is not a problem for all imported car brands. Japanese brands' performance has been spectacular, while European brands performance has been seriously ill. Maybe a bigger problem than that is Hyundai · Kia that cannot escape from the bottom group for a long-term period.

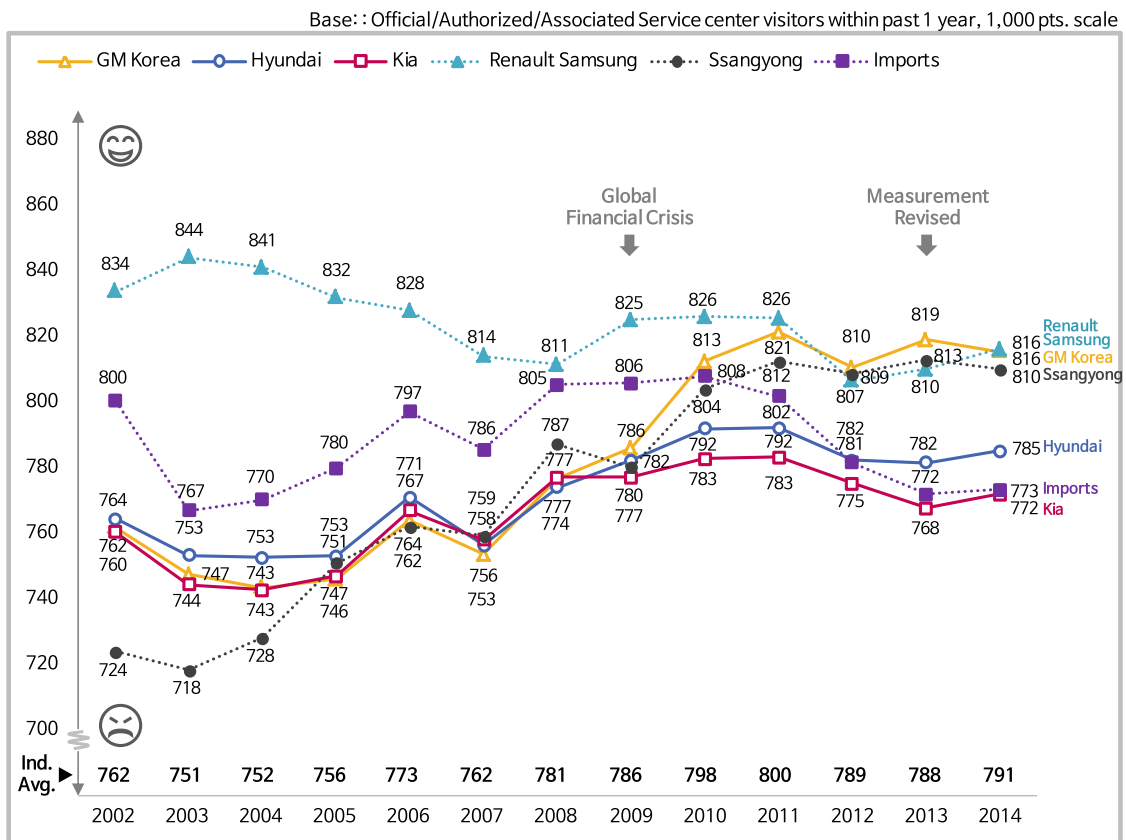
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1) A/S Satisfaction (CSI)



A/S Satisfaction (CSI) calculates the evaluation of the consumers who had received A/S service in the service center of their owned automaker over the past 1 year on 'Reservation, Procedure, Results, Cost' in 1,000-point scale. In the achievement of domestic cars and imported cars during the past 13 years, imported cars in the initial stage surpassed domestic cars with a considerable gap. But the gap began to reduce rapidly since 2008. And for the first time in 2012, the table was turned and the gap of the reversal had increased more and more ([Refer to: \[Automobile Syndicated Study 2001-2014 Summary\] 01. Why Do Consumers Switch to Imported cars from Domestic cars?](#)).

To better understand such changes, it is necessary to review what kind of changes the main evaluation targets, namely each brand, had undergone. In the trend of five domestic brands and imported cars for the past 13 years, there had been a competition structure with

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1 strong player (Renault Samsung), 1 mediocre player (imports) and 4 weak players until 2007. Renault Samsung had been an unchallenged 1st place for 10 years, while imported cars had been a stable second place until 2009. In the bottom group, Ssangyong had been more sluggish but soon joined the same group.

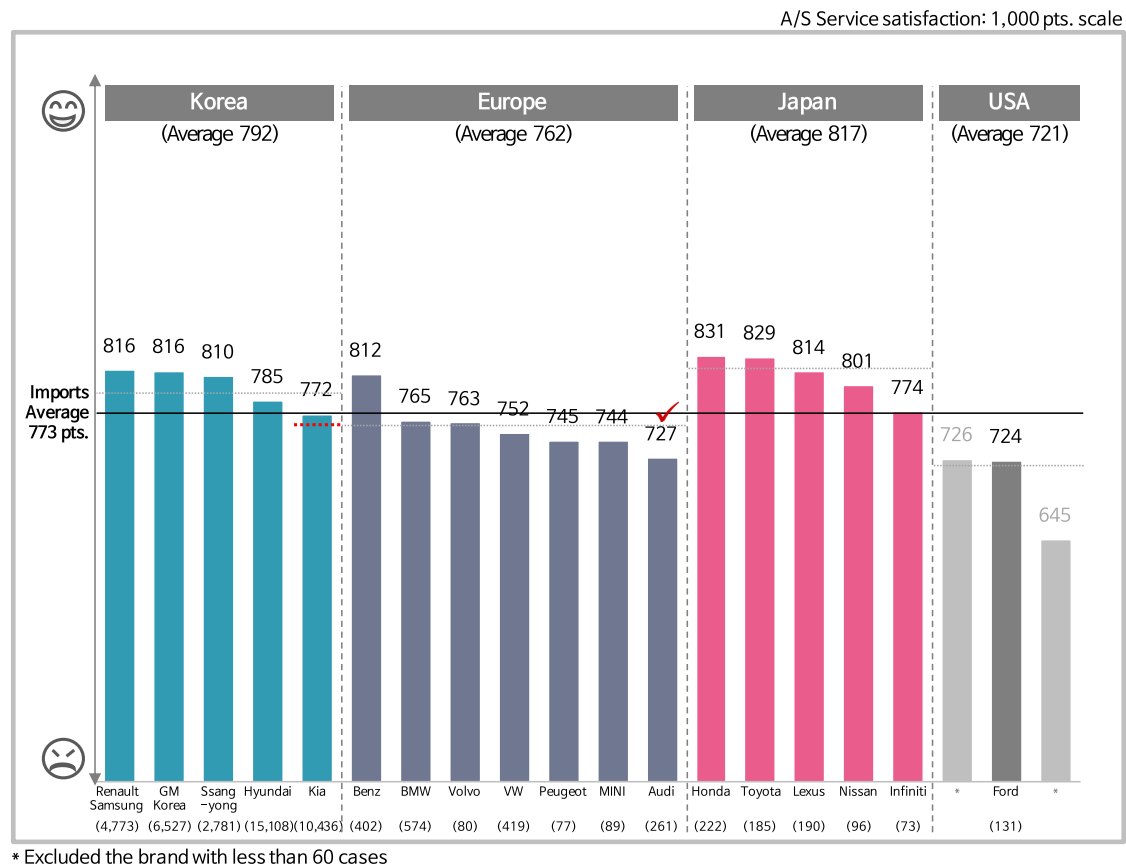
The most significant aspect from 2005 is the leap of the 4 weak players. Until 2009, they had led the accompanied surge with over 30 points compared to 2005, but they started to walk separate ways in 2010. GM Korea and Ssangyong continued to the rising trend and entered into the top area, being transformed into one of 3 strong players that threatened Renault Samsung. Ssangyong's breakthrough that lasted for 13 years was incredible and worth to be called as the most honored student. 1 mediocre player, imported cars, plunged into the bottom while being unable to match the service demand from the increase of sales, forming 3 weak players along with Hyundai that was a little ahead of Kia.

A new competition structure had started with 3 Strong and 3 weak players.

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2) 2014 A/S Service Satisfaction by Brand



Let us review the 2014 survey results answered by 43,000 A/S service experienced people to find which brand had what kind of achievement in more detail.

The figure above contains many messages with summary of A/S satisfaction scores by country of origin and brand. ■ In terms of country of origin, Japanese brands are unchallenged 1st place with the average 817 points, followed by Korean (792 points), European (762 points) and American (721 points). ■ US brands had a difficulty in the comparison because of the small number of cases. The average of Japanese brands (817 points) leads domestic with a large gap. Their excellence can be seen in the higher average than the average of the domestic tied 1st place Renault Samsung and GM Korea (816 points). ■ On the other hand, the average of European (762 points) was not only lower than the average of domestic but also lower than Kia (772 points), the lowest of domestic by 10 points. All European brands except Benz were lower than Kia. ■ The first place of the overall

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brands was Honda (831 points), while the second place was taken by Toyota (829 points) and third place was occupied by Renault Samsung and GM Korea with the same score.

Imported cars' A/S service has significantly worsened recently, upon which consumers have concern about this at a serious level. The biggest reason to abandon imported car at the last moment after considering purchasing is the price, followed by A/S service. More specifically, if imported cars' A/S service is serious, that is the problem of European brands and that was well expected problem when considering the past sales trend. Imported automakers understand these issues relatively well and are trying to struggle and invest in their own way for the solution.

What actually more serious is the A/S service of Hyundai · Kia that control the market. They don't even know what level their A/S services are on, and even if they would know, there is no proper way to improve at this moment. Whether imported cars are going to continue to tag along with 3 weak players is uncertain.

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■ Reference: Outline of Automobile Syndicated Study

Consumer Insight has been conducting annual Automobile Syndicated Study (ASS) from 2001 to 2014 (for 14 years) without a cease. 2001 study was excluded, due to considerable difference in comparison with the studies after 2002.

Respondents	Car owners & New car purchase intender within 2 years	Current component of the cumulative sample		A/S experienced sample composition status	
Sampling Frame	IBPs (Invitation Based Panel) selected from Panels of Consumer Insight & Major portal site members				
Sampling Method	Quota sampling by gender/age	Total	1,585,273	Total	671,063
Data collection Method	E-mail survey	2014	101,821	2014	42,618
Sample Size	Average 100,000 each year	2013	101,701	2013	44,294
Study Contents	U & A (Usage and Attitude) Information & CEQ (Consumer Experienced Quality)	2012	95,012	2012	28,994
Study Period	Every July each year	2011	97,356	2011	41,713
		2010	106,291	2010	42,165
		2009	91,129	2009	34,393
		2008	95,472	2008	38,003
		2007	105,149	2007	58,189
		2006	106,088	2006	59,498
		2005	139,825	2005	62,859
		2004	171,499	2004	61,209
		2003	118,195	2003	35,747
		2002	129,277	2002	54,474
		2001	126,458	2001	66,907

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