

# 2009 RECOVERY OF THE MOTOR INDUSTRY

**The motor industry faces a paradoxical situation. Our surveys tell us that a car is as desirable as ever, if not more so.**

Cars are like only children, people tend to invest more in them. And they are willing to spend more on their different needs and desires:

- > the passion and pleasure at the wheel is growing (racy, aggressive, adrenaline-pumping driving, within the speed and safety limits)
- > more people want a car that offers the best travel experience i.e. comfortable, relaxing, a “lounge”
- > the symbolic value of a car has grown as a sign of identity, and not just of plain ostentation (“showing off the car to friends at the bar”).

**On the other hand, there are clear indications that the market, especially at the top end, has slowed down. How come?**

**[a] The money is there.**

On average Italians replace their car once every 8 years. This means that a delay of months in changing one’s car can lead to a reduction in sales volumes of hundreds of thousands of vehicles. Likewise the industry’s ability to bring forward a purchase, even by just a few months, can not only modernise the vehicles on Italian roads, but also increase the size of the market itself. And there’s no shortage of money: only a small minority of households say that they have suffered financially as a result of the credit crunch over the last year. Indeed the majority

have increased the level of savings in preparation for the worst. Private financial liquidity, when there is uncertainty on how to invest it, is traditionally high in our country. So, it is not a simple fact of a lack of resources, but rather of allocating them to the “car project”.

**[b] The new value of the car project**

- > volatility among consumers has grown, as they become ever more difficult to intercept and persuade;
- > the pre-selection stage (before arriving at the dealership to negotiate the purchase) is tougher;
- > the quotation and face-to-face negotiation stage has become a comparison between the shortlist (of brands and models) that have made it through pre-selection;
- > paradoxically, the chance of a purchase is higher in the case

of those that are on the shortlist, but being one of them is no easy task.

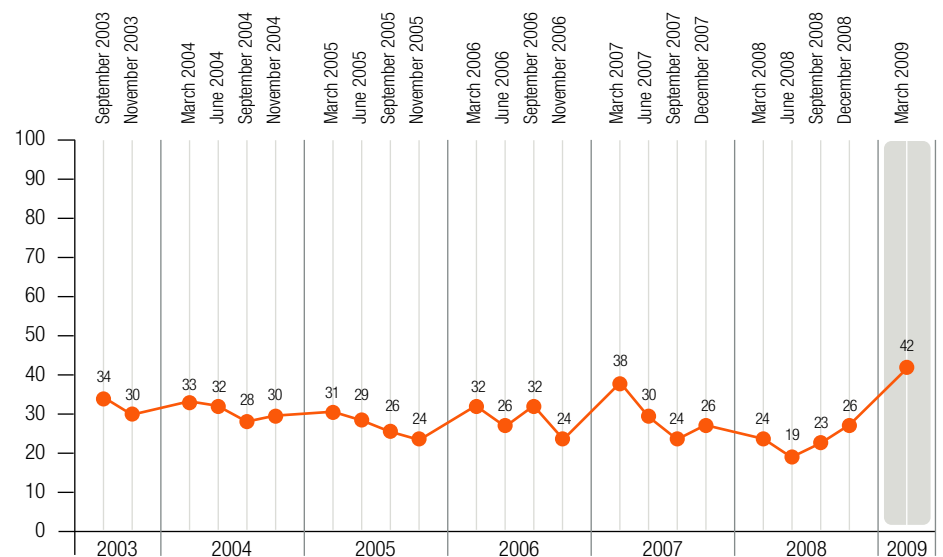
**[c] Buying** (and this applies not just to a car) increases investment value. “If we’re not convinced, we won’t buy”; “is it the right moment?”; “why should I buy something that a month later will be worth 30% less?”.

**[d] Consumers are expecting a new deal with the brand/carmaker.**

Dependable, good-looking cars are not enough, they want solutions to more complex needs, such as the “more quality = less cost” equation. Traditional formulas cannot solve the equation; new, partly disruptive ones may be the answer: e.g. downsizing the ranges and focusing more on the “tastes of the segments”.

*cont'd on page 2*

**DO YOU GENERALLY THINK THAT THIS IS A GOOD TIME TO BUY A CAR?**



**% WHO THINK IT IS A GOOD TIME TO BUY**

## 2009 RECOVERY OF THE MOTOR INDUSTRY

cont'd from page 1

Carmakers will have to work more to be acknowledged as being innovative, and able to provide services.

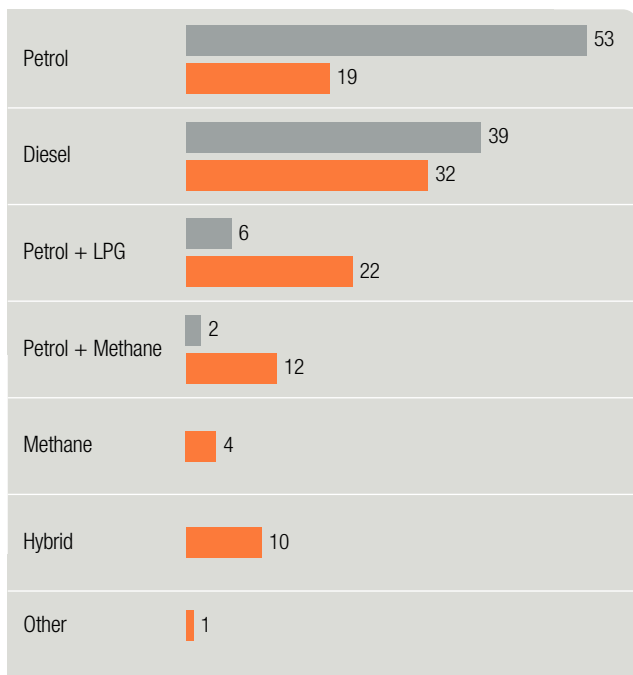
### [e] The car market needs to be driven more by the supply side.

That consumers are more quick-thinking and independently minded can be seen in their attitudes to the engine type for their next car.

There is a sharp drop in traditional engines, especially petrol-driven ones, offset by an increase in LPG and methane powered engines.

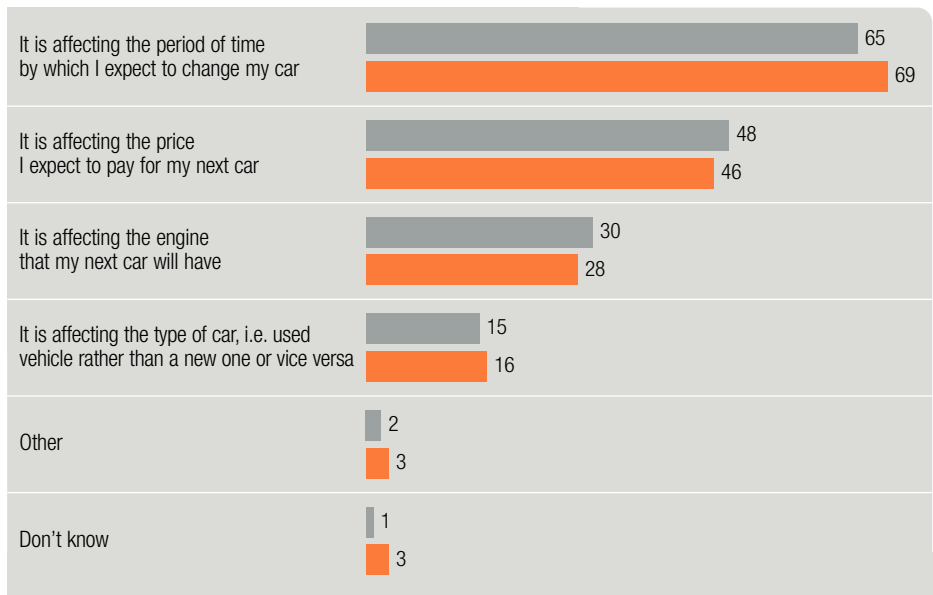
What is particularly striking is the spontaneous desire for a “hybrid” engine. Current market and advertising share for hybrid solutions is near the zero mark, but a good 10% of future buyers would buy hybrid cars. An indication, if one was needed, of consumers’ ability to go beyond the current market mindset. This is just another risk and opportunity that car manufacturers will have to confront.

### WHICH TYPE OF ENGINE DO YOU THINK YOUR FUTURE CAR WILL HAVE?



Per cent present car - June 2009 next car - June 2009

### HOW IS THE ECONOMIC CRISIS AFFECTING YOUR INTENTION TO BUY A VEHICLE?



Per cent

June 2009 January 2009

### THE RECIPE FOR THE FUTURE

GfK Eurisko believes that the worst of the crisis could be behind the motor industry, if manufacturers strengthen their frayed ties with consumers.

What's our recipe? **Carmakers must go back to being innovative.**

They must work to fill the “black holes”:

1 by managing the decision-making process behind the choice of “which car to buy”, and the new criteria underlying its timing

2 by looking after clients throughout their life cycle, redefining the product offering and the relationship on the basis of their overall value and the value of their vehicles (including repairs?)

3 by providing long-lasting, clear answers to the new needs of different segments, starting with the more sophisticated, urban dwellers. Clear answers on taxes, fuel costs, urban mobility and implementation of standards...

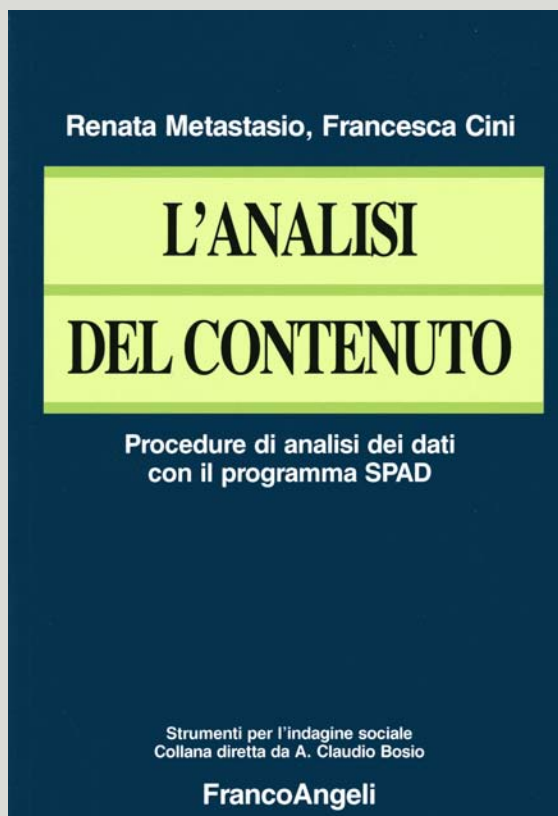
4 by streamlining the offering and concentrating on smaller, but better calibrated ranges; by improving integration with R&D covering segment models, technology and functionality, size, looks, engines and usage

5 by developing an integrated, multimedia-based model of communication (ranging from digital to influentials).

GfK EURISKO BELIEVES THAT THE WORST OF THE CRISIS COULD BE BEHIND THE MOTOR INDUSTRY, IF MANUFACTURERS STRENGTHEN THEIR FRAYED TIES WITH CONSUMERS

## Think Tank

It gives us great pleasure to present a series edited by our dear colleague Claudio Bosio, professor of consumer and marketing psychology at the Catholic University of Milan. The series sets out to provide advanced analytical tools that can be used in applied research in those areas where sociology, social psychology, cultural anthropology, linguistics, semiology, computer-based statistics and economics converge. It is a space in which a wide variety of researchers are interested in harnessing scientific advances to expand their professional skills. The series is aimed at applied research professionals, and offers many opportunities to improve their methodological skills.

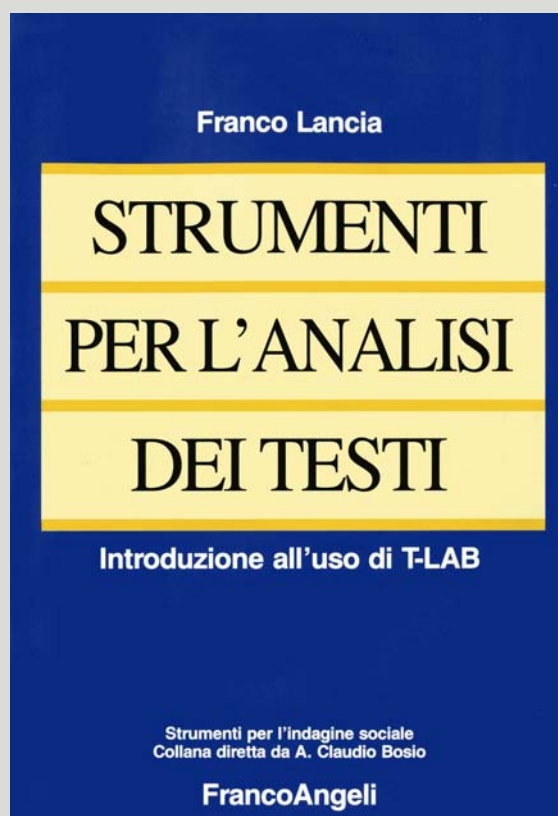


This book provides an introduction to content analysis as an investigation method and its possible applications in the social sciences. It explains a number of procedures and techniques of multivariate analysis used by the statistical program SPAD-T, and includes a guide to using it. A host of practical examples help readers to run their own analyses and interpret the findings correctly.

**Renata Metastasio, Francesca Cini**

### L'ANALISI DEL CONTENUTO

**publisher** Franco Angeli Editore  
**price** 17 euros



The book provides an introduction to text analysis and a guide to the use of T-LAB, an application program which offers various content analysis and text mining tools. Written for those who work in the humanities and social sciences, it is also aimed at anyone interested in exploring and analysing the content of documents, newspaper articles, materials downloaded from the Internet, legislative texts, books, speeches as well as answers to open-ended questions in questionnaires.

**Franco Lancia**

### STRUMENTI PER L'ANALISI DEI TESTI

**publisher** Franco Angeli Editore  
**price** 27 euros

# THE ROAD MAP TO RECOVERY

**GfK EURISKO ANNUAL SEMINAR**, held in Milan - on Tuesday 7 July, will be presented again in

**ROME** on **WEDNESDAY 16 SEPTEMBER** from 10am to 1pm at the **Hotel Exedra Boscolo** P.zza della Repubblica, 47 (MM Repubblica)



**ANTHROPOLOGICAL CHANGES** *Giuseppe Minoia*  
an introduction

**BUILDING EQUITY ON CONSUMER AND BUSINESS CONFIDENCE** *A. Claudio Bosio*

**THE STRATEGIES AND RESPONSES OF ITALIAN FAMILIES** *Silvio Siliprandi*

**A LOOK AT THE GLOBAL SITUATION AFTER A "TOUGH" YEAR** *Paolo Anselmi*

**THE STATE OF THE ECONOMY AND THE FINANCES OF ITALIAN FAMILIES** *Fabrizio Fornezza*

**FOCUS ON INNOVATION** *Luca Antonietti*

**HOW THE MEDIA ARE REINVENTING THEMSELVES** *Edmondo Lucchi*

**AN ITALIAN STORY, AND A RECIPE** *Remo Lucchi*

**THE SEPTEMBER MEETING WILL OFFER AN UPDATE OF THE FINDINGS PRESENTED IN JULY**

Anyone interested in attending is asked to register. Please contact: [maura.giovannini@gfk-eurisko.it](mailto:maura.giovannini@gfk-eurisko.it)

## Agenda

### SEMINARS

■ 16 September, Rome  
**ANNUAL SEMINAR.**  
**THE ROAD MAP TO RECOVERY**

- The European scenario - profiles and trends
- Credit Card Monitor
- Innovations in mystery shopping
- Loyalty and CS
- Financial communications
- Multimedia usage in Italy

■ To find out more contact [seminari@gfk-eurisko.it](mailto:seminari@gfk-eurisko.it) or visit our website [www.gfk-eurisko.it](http://www.gfk-eurisko.it)

### SYNDICATED SURVEYS DUE TO BE PRESENTED

subscribers only

#### July

- The Italian Elites - quant phase

#### September

- Children in the third millennium - quant phase
- Multifinanziaria Retail market 2009 - wave II

■ To find out more contact [info@gfk-eurisko.it](mailto:info@gfk-eurisko.it) or visit our website [www.gfk-eurisko.it](http://www.gfk-eurisko.it)

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