



Press Release

47% INDIANS PREFER COMPANY CERTIFIED SHOWROOMS FOR USED CAR: IPSOS STUDY

Price, Less Depreciation, Social Status Upgrade Via Luxury Cars Make Used Cars Ownership Attractive

Negative Perceptions of Vehicle ROI, Lifespan, Stigma Take Sheen Off Used Cars

Mumbai, September 27, 2016 — About half (47%) Indians said that they would consider buying a Used Car from a Company Showroom; according to a new study by global market research company Ipsos.

The study was conducted by Ipsos to map perceptions towards Used Cars among 1029 Indian respondents across eight cities - Delhi, Mumbai, Kolkata, Chennai, Bangalore, Hyderabad, Lucknow and Ahmedabad.

The hoopla around online classified advertising sites like OLX, Quickr and others notwithstanding, only about 11% respondents said they would buy a Used Car online; 41% respondents were undecided.

So, how do Used Cars fit in with the lifestyle of Urban Car Buyers? Ipsos study shows different mind sets for Used Cars: 30% respondents said they would never buy a Used Car; 23% respondents said they would buy a Used Car to upgrade from a 2-wheeler to a 4-wheeler; 22% respondents were undecided; 13% respondents would buy a Used Car as a second car at home and 12% said they would buy a Used Car to upgrade their status - by buying a fancy luxury car of a premium automaker.

Amit Adarkar, CEO of Ipsos India said that these are interesting insights from stand point of a car maker: "Consumers have different motivations for buying and not buying a Used Car and marketers will find these insights useful, after all India has some of the lowest penetrations of passenger cars vis-à-vis other markets, just 15 cars per 1000 persons, unlike other markets like China (60/1000), Brazil (160/ 1000) and Indonesia (42/ 1000)."

The study further delved into the psyche of consumers to find out their concerns towards ownership of Used or a Pre-Owned Car.

Interestingly, consumers are concerned about the ROI and seem to tread on caution: 26% respondents felt that Used Cars can work out more expensive on pocket post purchase; 23% felt that lifespan and longevity of a car would be suspect; 19% were concerned about Certification & After Sales Service; 19% were not confident about the functioning of a pre-owned car and 13% felt some bit of stigma about owning a Used Car, felt they would be perceived as untrendy and uncool.

"Some of these concerns do take sheen off Used Cars, but these concerns are unfounded; Certified Cars are meant to be road ready for the long haul," said Adarkar.



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On the flip side consumers listed some tangible positives of owning a Used Car.

31% saw benefit in price in ownership of a Used Car; 24% felt a Used Car depreciates lesser vis-à-vis a new car; 19% felt a premium luxury Used Car is accessible and can elevate social status; 15% felt stakes were much less for buying and selling used cars; and 11% felt that Used Cars make car ownership a reality for those who felt that car ownership was beyond their means.

Adarkar sees some paradox here with “Yay Sayers” & “Nay Sayers” being equally upbeat.

Interestingly, views were divided on preference of Used Cars. 38% said Diesel; 31% said they would prefer a petrol Used Car; and 30% rooted for a CNG or Hybrid Used Car.

Majority of the respondents polled supported governments proposed decision of hiking tax rates on old cars.

About Ipsos Used Car Survey

The survey was conducted face to face via Computer Aided Personal Interviewing System (CAPI) covering a sample size of 1029 respondents in eight cities of Delhi, Mumbai, Kolkata, Chennai, Bangalore, Hyderabad, Lucknow and Ahmedabad. Respondents polled were from SEC A, B & C households. Men and women polled were in the ratio of 50:50.

Data was weighted and margin of error was +/- 4% with 95% confidence level. Fieldwork period was July/August, 2016.

About Ipsos Public Affairs

Ipsos Public Affairs teams around the world conduct research on public policy issues and on the attitudes and behaviours of citizens and consumers. We also conduct public opinion research and elite stakeholder, corporate, and media opinion research. Our goal is to help our clients manage issues, advance reputations, determine and pinpoint shifts in attitude and opinion, and enhance communications.

We provide clients with information that helps them understand how they can build efficient and effective policies, programs, communications strategies, and marketing initiatives.

About Ipsos

Ipsos ranks third in the global research industry. With a strong presence in 87 countries, Ipsos employs more than 16,000 people and has the ability to conduct research programs in more than 100 countries. Founded in France in 1975, Ipsos is controlled and managed by research professionals. They have built a solid Group around a multi-specialist positioning – Media and advertising research; Marketing research; Client and employee relationship management; Opinion & social research; Mobile, Online, Offline data collection and delivery -. Ipsos has been listed on the Paris Stock Exchange since 1999.



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We make our changing world easier and faster to navigate and inspire clients to make smarter decisions.
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