

CANADIANS ON CAR WARRANTIES



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Toronto, ON – According to a new Ipsos-Reid survey conducted on behalf of Hyundai, when asked which three of seven factors are most important to them when they are planning to purchase or lease a vehicle, “price” (68%), “reliability” (62%), and “safety” (50%) top the list. Three in ten Canadians say “the manufacturers warranty” (30%) and/or “comfort” are among the three factors most important to them in their purchase decision, while approximately two in ten say “brand” (22%) or “style/image” (17%).

Respondents were then asked specifically, how important the manufacturer’s warranty is to their purchase decision, more than half (54%) say it’s “very important.” In addition, more than half (54%) of Canadians say they would be “more inclined to purchase or lease a car from a manufacturer who offered a warranty that claimed to better than anyone else’s.”

Which of a list of three factors most suggests to Canadians that a vehicle is high quality? Canadians are evenly divided. One-third (34%) think a vehicle is high quality “if it gets positive reviews in the media,” 31% say “if friends or family recommend it,” and another 31% say “if it has a long and comprehensive warranty” (4% “don’t know”).

Assuming they’ve had no accidents, seven in ten (72%) Canadians say that when they purchase or lease a new vehicle, they expect to drive it for at least three years without incurring any costs for repairs. Murphy’s Law, four in ten (39%) Canadians say they have had to get car repairs just after their warranty expired.

A majority (74%) of Canadians currently own their vehicle, while 7% lease, 2% both own and lease, and 16% do not own or lease a car.



These are the findings of an Ipsos-Reid/Hyundai poll conducted between March 26th and March 28th, 2004. For the telephone survey, a representative randomly selected sample of 1000 adult Canadians was interviewed by telephone. With a sample of this size, the results are considered accurate to within ± 3.1 percentage points, 19 times out of 20, of what they would have been had the entire adult Canadian population been polled. The margin of error will be larger within regions and for other sub-groupings of the survey population. These data were statistically weighted to ensure the sample's regional and age/sex composition reflects that of the actual Canadian population according to the 2001 Census data.

When asked which three of seven factors are most important to them when they are planning to purchase or lease a vehicle, “price” (68%), “reliability” (62%), and “safety” (50%) top the list. Three in ten Canadians say “the manufacturers warranty” (30%) and/ or “comfort” are among the three factors most important to them in their purchase decision, while approximately two in ten say “brand” (22%) or “style/image” (17%). The remaining 2% “don’t know.”

- Canadians 18-54 years of age (71%) are more likely than their elders (61%) to cite “price” as one of the top three factors, while Canadians 55 and older (36%) are more likely than those who are younger (28%) to cite “the manufacturer’s warranty.” The propensity to say “style/image” decreases with age (25% 18-34; 16% 35-54; 9% 55+).
- Women are more likely than men to cite “safety” (57% vs. 42%), while men are more likely than women to cite “brand” (28% vs. 16%) and “style/image” (21% vs. 13%).
- Canadians with at least some post secondary education are more likely than those with a high school education or less to cite “price” (72% vs. 60%) and “reliability” (67% vs. 53%), while those with a high school education or less (37%) are more likely



than those with at least some post secondary education (27%) to cite “the manufacturer’s warranty.”

Respondents were then asked specifically, how important the manufacturer’s warranty is to their purchase decision, more than half (54%) say it’s “very important,” 22% say “important,” 18% say “somewhat important,” 4% say “not important at all,” and 1% “don’t know.”

- Canadians 55 and older (65%) are more likely than those who are younger (49%) to say the manufacturer’s warranty is “very important.”
- Canadians without a university degree (58%) are more likely than those with (45%) to say the manufacturer’s warranty is “very important.”

In addition, more than half (54%) of Canadians say they would be “more inclined to purchase or lease a car from a manufacturer who offered a warranty that claimed to better than anyone else’s.” Nearly half (45%) would not be more inclined, while 2% “don’t know.”

- There are no statistically significant demographic differences for this question.

One-third (34%) think a vehicle is high quality “if it gets positive reviews in the media,” 31% say “if friends or family recommend it,” and another 31% say “if it has a long and comprehensive warranty” (4% “don’t know”).

- Residents of British Columbia (41%) and Atlantic Canada (36%) are more likely to think a vehicle is high quality “if it gets positive reviews in the media,” residents of Saskatchewan/Manitoba (37%) are more likely to think say “if friends or family recommend it,” residents of Quebec (37%) are more likely to say “if it has a long and comprehensive warranty,” while residents of Alberta and Ontario are more divided.



- Canadians 18-34 years of age (39%) are more likely to think a vehicle is high quality “if friends or family recommend it,” Canadians 35-54 years of age (41%) are more likely to say “if it gets positive reviews in the media,” and Canadians 55 and older (37%) are more likely to say “if it has a long and comprehensive warranty.”
- Canadians with an annual household income of \$60,000 or greater (40%) are more likely than those with less (29%) to think a vehicle is high quality “if it gets positive reviews in the media.”

Assuming they’ve had no accidents, seven in ten (72%) Canadians say that when they purchase or lease a new vehicle, they expect to drive it for at least three years without incurring any costs for repairs. Responses were as follows:

- At least one year: 8%
- At least two years: 18%
- At least three years: 29%
- At least four years: 12%
- At least five years: 20%
- More than five years: 11%
- Don’t know/Refused: 2%

Four in ten (39%) Canadians say they have had to get car repairs just after their warranty expired. Six in ten (60%) have not, while 1% “don’t know.”



- Residents of Atlantic Canada (47%) and Ontario (45%) are most likely to have gotten car repairs just after their warranty expired, followed by residents of Saskatchewan/Manitoba (36%), Quebec (34%), British Columbia (34%), and Alberta (33%).
- Canadians 35 and older (43%) are more likely than those who are younger (30%) to have gotten car repairs just after their warranty expired.
- Men (43%) are more likely than women (36%) to have gotten car repairs just after their warranty expired.
- Canadians with an annual household income of \$60,000 or greater (48%) are more likely than those with less (33%) to have gotten car repairs just after their warranty expired.

A majority (74%) of Canadians currently own their vehicle, while 7% lease, 2% both own and lease, and 16% do not own or lease a car.

- Residents of British Columbia (83%) are most likely to currently own their vehicle, followed by residents of Alberta (78%), Saskatchewan/Manitoba (77%), Ontario (75%), Quebec (69%), and Atlantic Canada (67%).
- Canadians 35 and older (78%) are more likely than those who are younger (66%) to currently own their vehicle, while Canadians 18-34 years of age (27%) are more likely than their elders (11%) to neither own or lease a car.
- Men (77%) are more likely than women (71%) to currently own their vehicle, while women (20%) are more likely than men (12%) to neither own or lease a car.



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