



Press Release

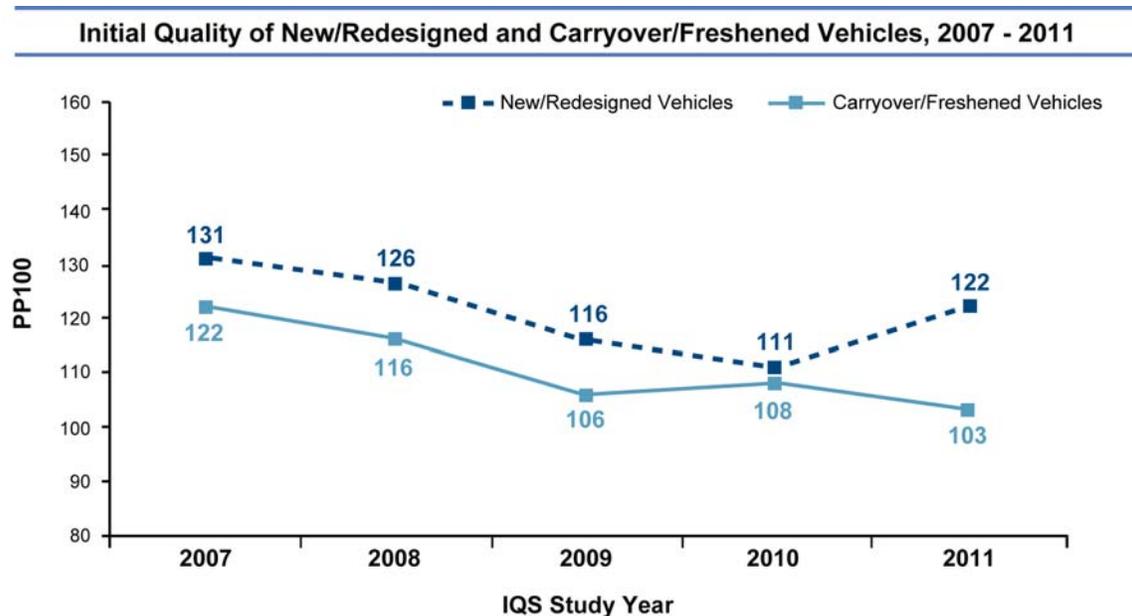
J.D. Power and Associates Reports: Initial Quality of Recent Vehicle Launches is Considerably Lower than in 2010, While Carryover Model Quality is Better than Ever

Honda Receives Seven Model-Level Awards; Lexus Receives Four

WESTLAKE VILLAGE, Calif.: 23 June 2011 — After an improvement in the quality of newly launched models every year from 2007 to 2010, the initial quality of 2011 new model launches has declined considerably, according to the J.D. Power and Associates 2011 U.S. Initial Quality StudySM (IQS) released today. The study has been conducted annually for the past 25 years.

Vehicle Launch Challenges

Overall initial quality improves to an average of 107 problems per 100 vehicles (PP100) in 2011 from 109 PP100 in 2010. However, the initial quality of launch models—those that are all-new or have had major redesigns—worsens by 10 percent to an average of 122 PP100 in 2011 from 111 PP100 in 2010. Conversely, carryover models—those that have had no significant redesign in the past year—have better initial quality than ever before. Owners of these vehicles report an average of just 103 PP100 in 2011, compared with 108 PP100 in 2010. Lower PP100 scores indicate a lower rate of problem incidences and therefore higher initial quality.



Source: J.D. Power and Associates U.S. Initial Quality StudySM (IQS), 2007-2011

“Exciting models with the latest features are crucial for winning over today’s demanding consumers,” said David Sargent, vice president of global vehicle research at J.D. Power and Associates. “However, automakers must not

lose their focus on the importance of these models also achieving exceptional quality levels. Expected reliability continues to be the single-most-important reason why new-vehicle buyers choose one model over another, and no manufacturer can afford to give consumers any doubts regarding the quality of their latest products.”

Only seven all-new or redesigned models rank among the top three of their respective award segments, compared with 17 models in 2010, and only one launch model receives a segment award this year versus five launch models in 2010. Just one-fourth of redesigned models perform better than the outgoing previous-generation model did in 2010, and eight all-new models perform above their respective award segment average.

Software and Technology Challenges

The decline in vehicle launch quality is evident in a number of areas, most notably the engine/transmission and audio/entertainment/navigation categories. There are two primary causes for this quality decline:

- With high fuel prices and more stringent government regulations, automakers are designing engine and transmission software to make their models as economical as possible. However, this sometimes leads to the engine or transmission “hesitating” when accelerating or changing gears, and consumers this year are reporting this as a problem more often than in past years.
- Automakers are also accelerating the introduction of multimedia technology into their models, including hands-free and voice-activation systems. Many consumers are attracted by this type of technology, which is perceived to enhance convenience and safety, but some vehicle owners report that their system is not intuitive and/or does not always function properly.

“Clearly, consumers are interested in having new technology in their vehicles, but automakers must ensure that the technology is ready for prime time,” said Sargent. “Successful companies will be those that can take this incredibly complex technology and make it reliable, seamless and easy for owners to operate while they are driving. There is an understandable desire to bring these technologies to market quickly, but automakers must be careful to walk before they run.”

While overall vehicle quality continues to improve, the introduction of new technology is expected to continue to pose challenges for automakers. Overall problem rates for audio/entertainment/navigation systems in 2011 are 18 percent higher than in 2010 and 28 percent higher than in 2009.

The Initial Quality Study serves as the industry benchmark for [new-vehicle quality measured at 90 days of ownership](#). The study is used extensively by manufacturers worldwide to help them design and build better vehicles and by consumers to help them in their vehicle purchase decisions. Initial quality has been shown throughout the years to be an excellent predictor of long-term durability, which directly impacts consumer purchase decisions. The study captures problems experienced by owners in two distinct categories: design-related problems and defects and malfunctions.

2011 IQS Ranking Highlights

Lexus leads the overall nameplate rankings with 73 PP100 on average. Following in the rankings are Honda (which improves to second rank position in 2011 from sixth in 2010), Acura, Mercedes-Benz and Mazda (which improves to fifth rank position in 2011 from 18th in 2010), respectively. Land Rover posts the largest improvement in 2011, reducing problems by 47 PP100 from 2010.

Honda garners seven segment awards for the Accord, Accord Crosstour, Civic (in a tie), Element, Fit, Insight (in a tie) and Ridgeline. Lexus receives four segment awards for the ES, GS, GX and LS models. For a second consecutive year, the Lexus LS has the fewest quality problems in the industry with just 54 PP100.

Chevrolet, Ford and Mercedes-Benz receive two awards each. Chevrolet receives awards for the HHR and the Tahoe; Ford for the F-150 and the Taurus; and Mercedes-Benz for the GLK-Class and the E-Class cabriolet/coupe. Also receiving segment awards are the Cadillac Escalade; Chrysler Town & Country; Dodge Challenger; and Mazda MX-5 Miata.

Among all-new and redesigned models, the Hyundai Equus and Dodge Durango are notably strong performers, each ranking second in their respective segment.

Assembly Plant Awards

Three assembly plants receive Platinum Plant Quality Awards (in a three-way tie) for producing models yielding the fewest defects and malfunctions: the Toyota Motor Corporation Cambridge South, Ontario, Canada, plant (which produces the Lexus RX); the Toyota Motor Corporation Kyushu 2, Japan, plant (which produces the Lexus ES, IS and RX); and the Honda Motor Company plant in Greensburg, Ind. (which produces the Civic). These plants average just 24 PP100. Plant awards are based solely on average levels of defects and malfunctions and exclude design-related problems.

In the Europe and Africa region, Daimler's Bremen 1, Germany, and East London, South Africa, plants each receive a Gold Plant Quality Award in a tie. The Bremen 1 plant produces the Mercedes-Benz C-Class, E-Class cabriolet/coupe and GLK-Class, while the East London plant produces the C-Class.

The 2011 U.S. Initial Quality Study is based on responses from more than 73,000 purchasers and lessees of new 2011 model-year cars, trucks and multi-activity vehicles surveyed after 90 days of ownership. The study is based on a 228-question battery designed to provide manufacturers with information to facilitate identifying problems and drive product improvement. The study was fielded between February and May 2011.

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company providing forecasting, performance improvement, social media and customer satisfaction insights and solutions. The company's quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more, please visit JDPower.com. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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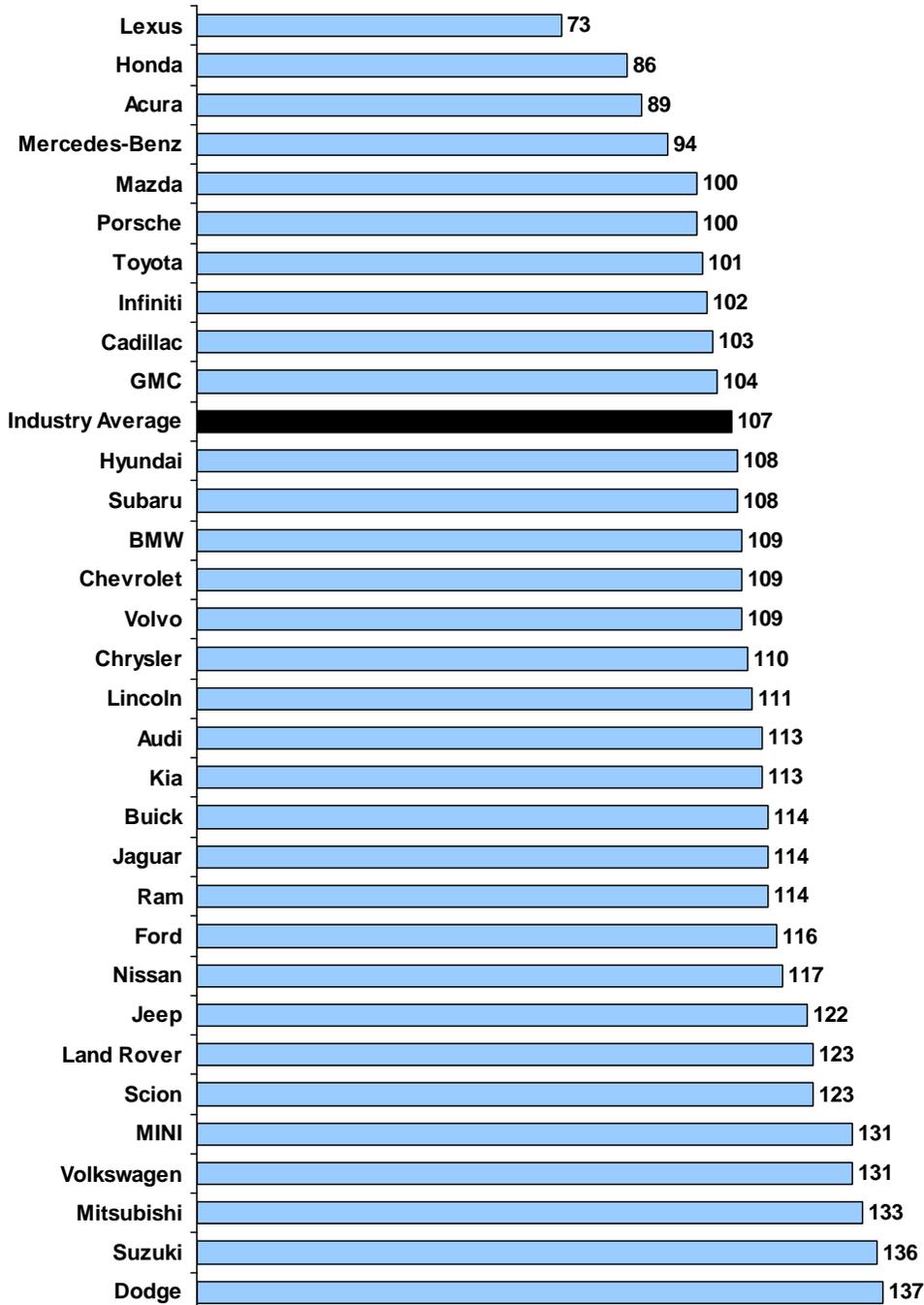
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NOTE: Four charts follow.

J.D. Power and Associates 2011 U.S. Initial Quality StudySM (IQS)

2011 Nameplate IQS Ranking

Problems per 100 Vehicles



Source: J.D. Power and Associates 2011 U.S. Initial Quality StudySM

Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power and Associates as the publisher and the J.D. Power and Associates 2011 U.S. Initial Quality StudySM as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. No advertising or other promotional use can be made of the information in this release or J.D. Power and Associates survey results without the express prior written consent of J.D. Power and Associates.

J.D. Power and Associates 2011 U.S. Initial Quality StudySM (IQS)

Top Three Models per Segment Car Segments

Sub-Compact Car	Midsize Premium Car
Highest Ranked: Honda Fit Kia Rio Hyundai Accent	Highest Ranked: Lexus GS Jaguar XF Mercedes-Benz E-Class Sedan/Wagon
Compact Car	Midsize Sporty Car*
Highest Ranked: Honda Civic (tie) Highest Ranked: Honda Insight (tie) Toyota Prius	Highest Ranked: Dodge Challenger Chevrolet Camaro
Compact Sporty Car	Large Premium Car
Highest Ranked: Mazda MX-5 Miata Volkswagen Eos Volkswagen GTI	Highest Ranked: Lexus LS Hyundai Equus Porsche Panamera
Compact Premium Sporty Car*	Midsize Car
Highest Ranked: Mercedes-Benz E-Class Cabriolet/Coupe	Highest Ranked: Honda Accord Subaru Legacy Toyota Camry
Entry Premium Car	Large Car
Highest Ranked: Lexus ES Acura TSX Lexus IS	Highest Ranked: Ford Taurus Buick Lucerne Nissan Maxima

**For more detailed findings on new-vehicle quality performance,
visit www.jdpower.com**

NOTE: For a segment award to be issued, there must be at least three models with sufficient sample that comprise 80 percent of market sales within an award segment. There were only two premium sporty models with sufficient sample size, thus no premium sporty award has been issued.

**No other model in this segment performs above the segment average.*

Source: J.D. Power and Associates 2011 U.S. Initial Quality StudySM

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Top Three Models per Segment *Truck/Multi-Activity Vehicle (MAV) Segments*

Compact Crossover/SUV	Midsize Premium Crossover/SUV
Highest Ranked: Honda Element Honda CR-V Toyota FJ Cruiser	Highest Ranked: Lexus GX Lexus RX BMW X6 (tie) Infiniti FX-Series (tie) Volvo XC70 (tie)
Compact MPV*	
Highest Ranked: Chevrolet HHR	Large Premium Crossover/SUV
Entry Premium Crossover/SUV	Highest Ranked: Cadillac Escalade Mercedes-Benz GL-Class Lincoln Navigator
Highest Ranked: Mercedes-Benz GLK-Class Acura RDX Volvo XC60	Large Pickup
Midsize Crossover/SUV	Highest Ranked: Ford F-150 LD Toyota Tundra Chevrolet Avalanche
Highest Ranked: Honda Accord Crosstour Dodge Durango (tie) Subaru Outback Wagon (tie)	Midsize Pickup
Large Crossover/SUV	Highest Ranked: Honda Ridgeline Nissan Frontier Ram Dakota
Highest Ranked: Chevrolet Tahoe GMC Yukon Chevrolet Suburban	Minivan
	Highest Ranked: Chrysler Town & Country Honda Odyssey Dodge Grand Caravan

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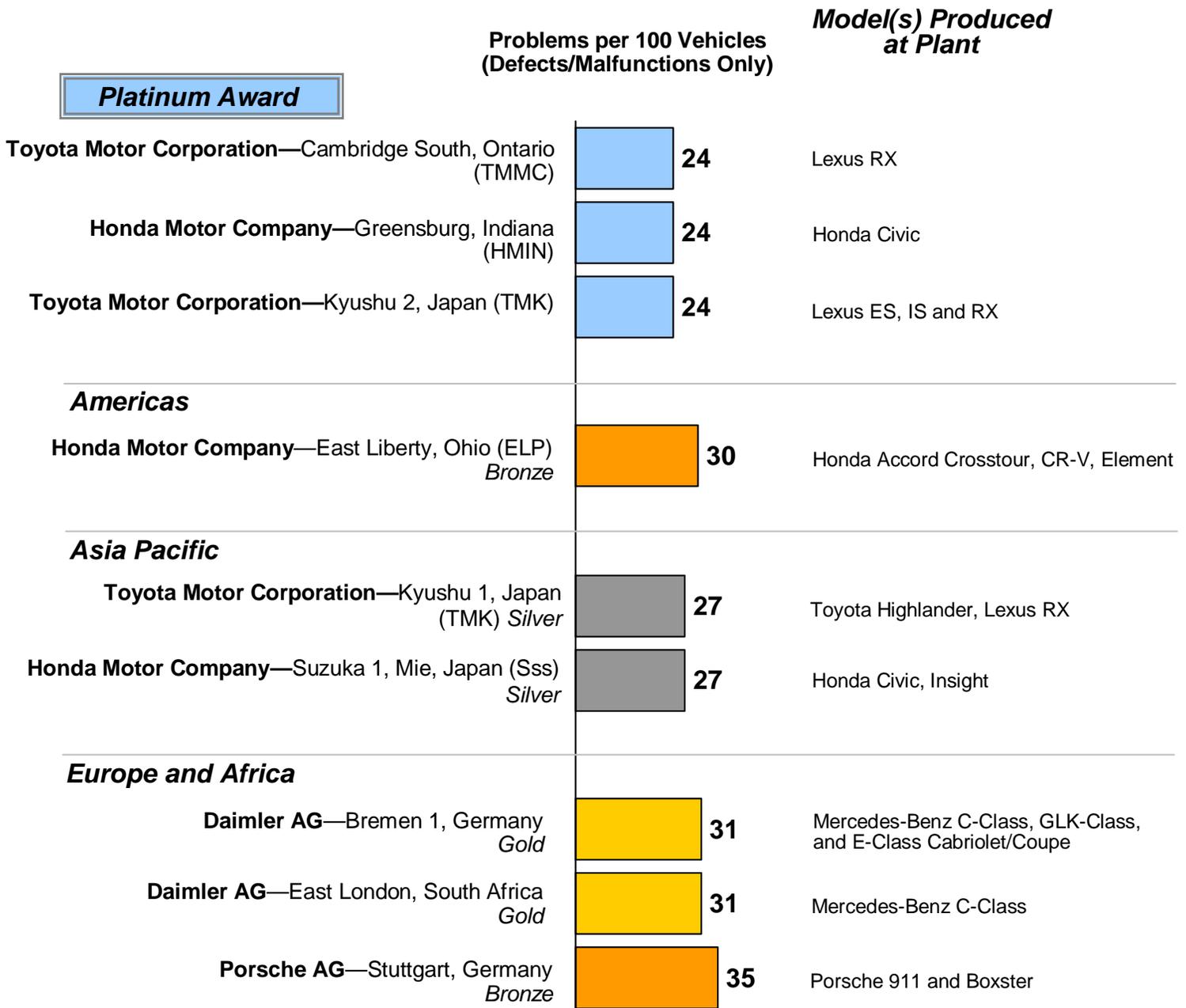
**No other model in this segment performs above the segment average.*

Source: J.D. Power and Associates 2011 U.S. Initial Quality StudySM

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J.D. Power and Associates 2011 U.S. Initial Quality StudySM (IQS)

2011 Assembly Plant Quality Award Recipients Based on Models Produced for U.S. Market



Source: J.D. Power and Associates 2011 U.S. Initial Quality StudySM

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