



Press Release

J.D. Power Asia Pacific Reports: New-Vehicle Quality in India Improves Significantly from 2010

Models from Maruti Suzuki and Toyota Each Receive Two Initial Quality Awards

SINGAPORE: 30 November 2011 — The incidence of initial quality problems reported by new-vehicle owners in India has decreased by 16 percent in 2011 compared with 2010, according to the J.D. Power Asia Pacific 2011 India Initial Quality StudySM (IQS) released today.

The study, which measures problems owners experience with their new vehicles during the first two to six months of ownership, examines more than 200 problem symptoms covering eight vehicle categories. These categories, listed in order of frequency of reported problems, include engine and transmission; vehicle exterior; driving experience; features, controls and displays; HVAC; vehicle interior; seats; and audio, entertainment and navigation. All problems are summarized as the number of problems per 100 vehicles (PP100). Lower PP100 scores indicate a lower rate of problem incidence and higher initial quality.

Overall initial quality in India improves to 119 PP100 in 2011 from 142 PP100 in 2010—an improvement of 23 PP100. The number of owner-reported initial quality problems has decreased in all categories except audio/entertainment/ navigation.

“As an industry, manufacturers in India have consistently delivered improving levels of initial quality over the years,” said Mohit Arora, executive director at J.D. Power Asia Pacific, Singapore. “Ensuring high initial quality is particularly important within the current challenging market climate. Delivery of initial quality is one of the first steps in building a brand’s reputation and reliability among customers, which leads to positive word of mouth in the market.”

The study finds that more than one-third of all initial quality problems reported by vehicle owners in India are related to the engine/ transmission.

“Cost of operation is a strong driver of model consideration and purchase in India,” said Arora. “However, when owner expectations of fuel economy—which are often set during the purchase process—are higher than what is actually achieved after purchase, it often leads to reports of fuel economy problems. As the expectations for optimum fuel efficiency rise in the market, each manufacturer will need to strive to bridge this gap between expectation and reality.”

The study also finds that customers who indicate they have experienced more initial quality problems than they expected intend to replace their current vehicle within three years—much sooner than the industry average of five years.

Two Maruti Suzuki models and two Toyota models rank highest in their respective segments. The Maruti Suzuki Swift Dzire ranks highest in the entry midsize segment for a second consecutive year, while the Estilo ranks highest in the compact segment. The Toyota Innova ranks highest in the MUV/ MPV segment for a fifth consecutive year, and the Corolla Altis ranks highest in the premium midsize segment.

Also receiving awards are the Ford Endeavor (SUV); Honda City (midsize car) for the ninth consecutive year; and the Volkswagen Polo (premium compact car).

The study also finds that the number of quality problems experienced has a strong impact on owner loyalty and advocacy. Among owners who indicate they experienced no problems with their new vehicle, 77 percent say that

they “definitely would” recommend their vehicle to a friend, relative or colleague. Among vehicle owners who report experiencing two or more problems, the recommendation rate declines to 56 percent.

“Loyalty and advocacy intentions are negatively impacted by quality problems,” said Arora. “It is therefore important to provide a problem-free experience, which enhances owner perceptions of brand reliability and may positively influence purchase decisions for many consumers.”

The 2011 India Initial Quality Study (IQS), now in its 15th year, is based on evaluations from more than 8,000 owners who purchased a new vehicle between November 2010 and July 2011. The study includes 71 vehicle models from 16 makes. The study was fielded from May to September 2011 in 20 cities across India.

About J.D. Power Asia Pacific

J.D. Power Asia Pacific has offices in Tokyo, Singapore, Beijing, Shanghai and Bangkok that conduct customer satisfaction research and provide performance analytics services in the automotive, information technology and finance industries. Together, the five offices bring the language of customer satisfaction to consumers and businesses in Australia, China, India, Indonesia, Japan, Malaysia, Philippines, Taiwan and Thailand. Information regarding J.D. Power Asia Pacific and its products can be accessed through the Internet at www.jdpower.com. Media e-mail contact: xingtliu@jdpower.com.sg.

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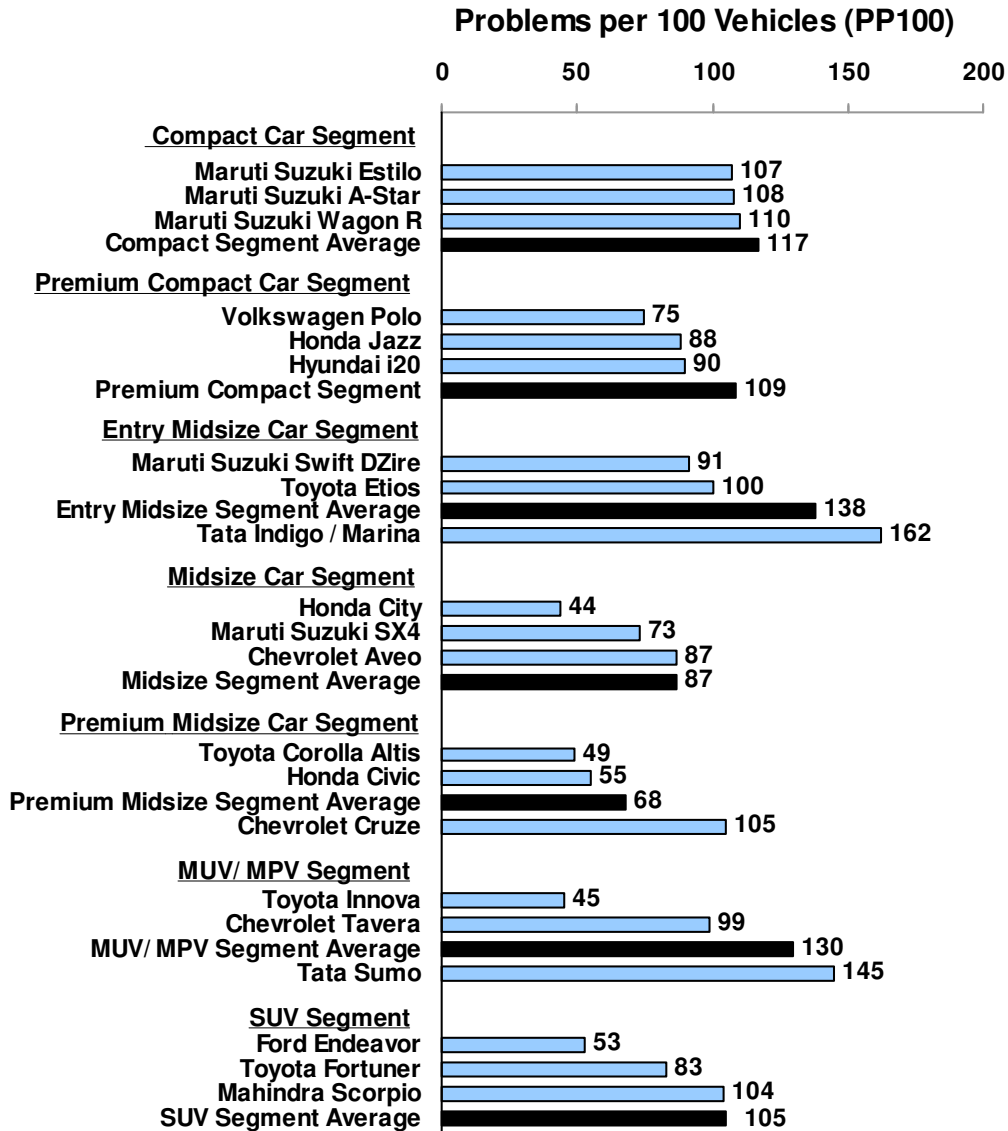
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NOTE: One chart follows.

J.D. Power Asia Pacific 2011 India Initial Quality StudySM (IQS)

Top Three Vehicles per Segment in Initial Quality

Lower scores reflect better quality performance



Note: Only the top three vehicles per segment are shown above. Official rankings are published only for segments with at least three models with sufficient sample and at least one with an IQS score better than segment average. No official rankings are published for the entry compact car, entry luxury car, luxury car and van segments.

Source: J.D. Power Asia Pacific 2011 India Initial Quality StudySM (IQS)

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