



Press Release

J.D. Power Asia Pacific Reports: Chinese Domestic Brands Narrow the Gap with International Brands in Vehicle Dependability

Models from Japanese Manufacturers Receive Six Awards; Chinese Domestic Models Receive Awards In Three Segments

SHANGHAI: 16 December 2011 — Chinese domestic brands have narrowed the gap with international brands in vehicle dependability by 34 percent from 2010, according to the J.D. Power Asia Pacific 2011 China Vehicle Dependability StudySM (VDS) released today.

Now in its second year, the study measures problems experienced by original owners of vehicles between 13 and 36 months of ownership, and includes 202 different problem symptoms across eight categories: engine and transmission; vehicle exterior; driving experience; features, controls and displays; audio and entertainment; seats; heating, ventilation and cooling (HVAC); and vehicle interior. Overall dependability is determined by the level of problems experienced per 100 vehicles (PP100), with a lower score reflecting higher quality.

In 2011, overall vehicle dependability averages 218 problems per 100 vehicles (PP100), an improvement of 80 PP100 from 2010. The gain is mainly attributable to improvement in the vehicle exterior and engine/transmission categories, with problem levels decreasing by an average of 18 PP100 and 16 PP100, respectively from 2010.

In addition, significant improvement among models in the mini van segment (265 PP100 from 2010) contributes to the industry-wide gain in vehicle dependability. Passenger vehicle models (with mini van segment excluded) show an improvement of 63 PP100 from 2010.

Vehicle dependability among domestic brands has improved by 135 PP100 from 2010 to an average of 309 PP100 in 2011, while international brands have improved by 66 PP100 from 2010 to an average of 177 PP100 in 2011. Chinese domestic brands have narrowed the gap in vehicle dependability with international brands to 132 PP100 in 2011 from 201 PP100 in 2010.

“Understanding vehicle dependability performance is critically important as automakers implement design improvements for the next generation of vehicle models,” says Dr. Mei Songlin, general manager of research services, J.D. Power Asia Pacific, Shanghai. “It enables automakers to build more reliable vehicles which typically retain higher resale values.”

Chinese domestic brands rank highest in three of the eight award segments. Models from Japanese manufacturers receive six awards:

- Compact segment: BYD F0
- Premium compact segment: Suzuki Swift
- Entry midsize segment: Nissan Livina
- Midsize segment: Toyota Corolla EX
- Lower premium midsize segment: FAW Besturn B70
- Upper premium midsize segment: Nissan Teana and Toyota Camry (in a tie)
- SUV segment: Honda CR-V
- Mini van segment: Wuling Sunshine

The most frequently reported problems in 2011 are: the engine loses power when air conditioning is turned on; brakes are noisy; windshield wipers or washers are broken or not working properly; excessive fuel consumption; and bad-smelling air from vents.

The study finds that 44 percent of owners indicate they have replaced at least one vehicle component during the past six months. The most frequently replaced components include exterior lights, horns, power window components, clutches and headlight components (Excludes wear items: brake pads, tires and wiper blades).

Frequent component replacements not only increase direct warranty costs for automakers, but also increase the likelihood of customer grievances and diminished brand loyalty.

“Vehicle dependability is an area of concern for vehicle owners and affects their repurchase and recommendation decisions,” says Chris Chen, automotive research manager at J.D. Power Asia Pacific, Shanghai. “In the China market, we are seeing manufacturers utilizing solutions such as extended warranties and recommending regular maintenance checks to alleviate these concerns and improve customer perceptions.”

Achieving high levels of long-term dependability has a strong positive effect on owner satisfaction, loyalty and advocacy. For example, among owners who indicate that they have experienced no problems with their vehicle, 35 percent say they “definitely will” recommend their vehicle. In contrast, among owners who indicate experiencing more than one problem, this proportion declines to 23 percent.

The 2011 China Vehicle Dependability Study is based on evaluations from 11,676 owners of vehicles purchased between June 2008 and August 2010 and includes 137 models from 51 different brands. The study was fielded between June and September 2011 in 33 cities across China.

J.D. Power measures customer experiences with vehicle quality at various stages of vehicle ownership. J.D. Power conducts the Initial Quality Study (IQS) and Automotive Performance, Execution and Layout Study (APEAL) to measure vehicle quality (things gone wrong) and appeal performance (things gone right) during the initial two to six months of vehicle ownership. The J.D. Power Vehicle Dependability Study (VDS) examines long-term vehicle dependability and reliability between 13 and 36 months of ownership.

J.D. Power’s self-funded Voice of the Customer syndicated studies evaluate products and services based on actual consumer feedback. The research is designed to help businesses make informed decisions about product and service improvements. Study results are based solely on the opinions of customers, not the opinion of J.D. Power.

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 consulting services in the automotive, information technology and finance industries. Together, the five offices bring the language of customer satisfaction to consumers and businesses in China, India, Indonesia, Japan, Malaysia, Philippines, Taiwan, Thailand and Vietnam. Information regarding J.D. Power Asia Pacific and its products can be accessed through the Internet at www.jdpower.com. Media e-mail contact: ellen_wang@jdpa.com.

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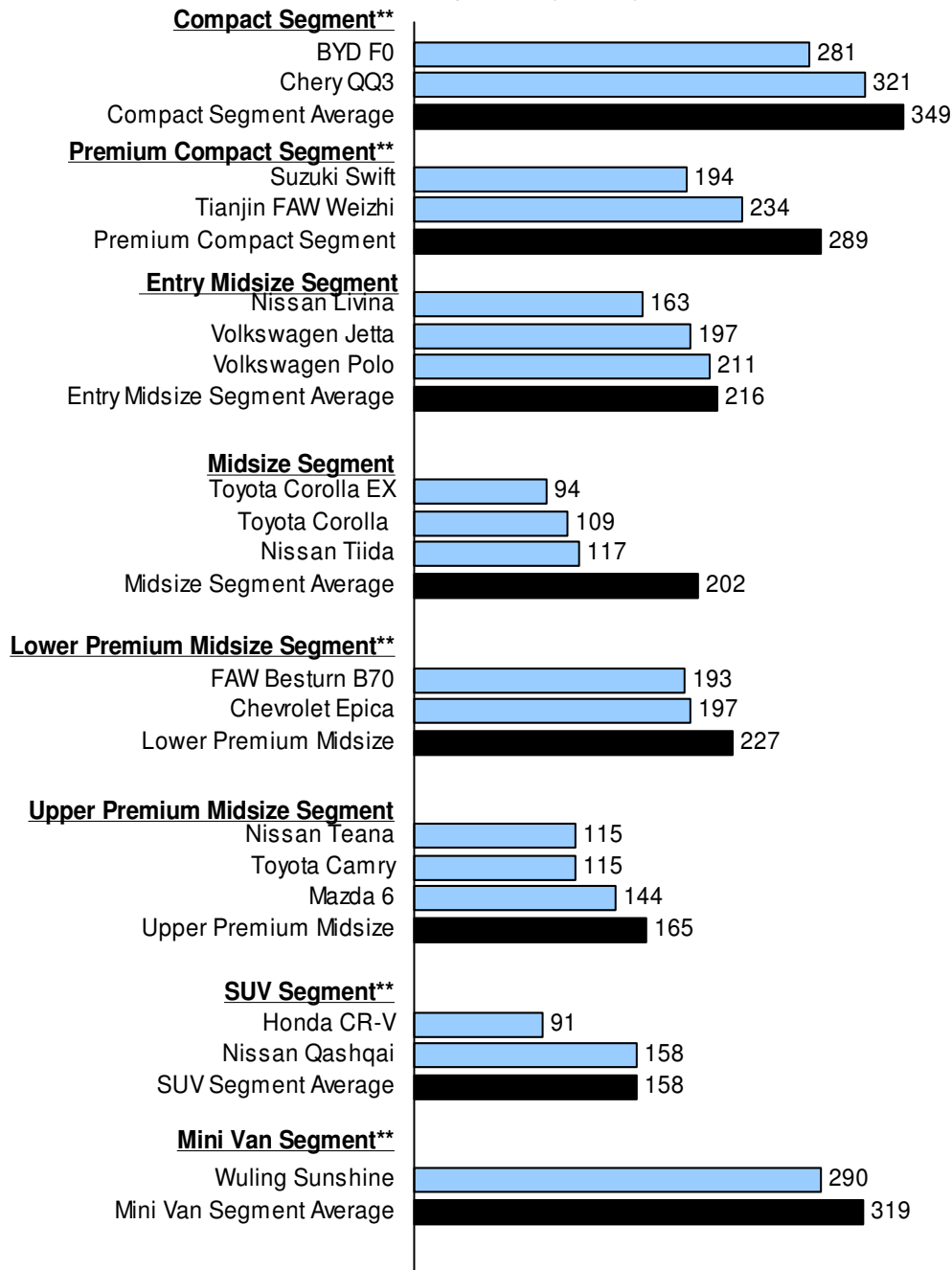
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2011 China Vehicle Dependability StudySM (VDS)

Top Three Rankings per Segment

(Lower scores reflect better quality performance)

Problems per 100 (PP100) Vehicles*



*Problems per 100 (PP100) vehicles is measured via actual customer feedback related to the number of "things gone wrong."

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

No rankings are published for the Entry Luxury, Luxury, and MPV segments due to an insufficient number of award-eligible brands.

Source: J.D. Power Asia Pacific 2011 China Vehicle Dependability StudySM (VDS)

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