

# Press Release

J.D. Power Reports: Nearly Two-Thirds of Problems Owners Experience With Their New Vehicle Are Design-Related; Few Can be Fixed

<u>General Motors Receives Eight Model-Level Awards, including Five for Chevrolet;</u> <u>Porsche Ranks Highest Among Nameplates</u>

**WESTLAKE VILLAGE, Calif.: 19 June 2013** — The majority of problems owners experience with their new vehicle in the first 90 days of ownership are design-related rather than manufacturing defects. These design problems are far less likely to be successfully resolved at the dealership than are defects, according to the <u>I.D. Power 2013 U.S. Initial Quality Study</u><sup>SM</sup> (IQS) released today at an Automotive Press Association luncheon at the Detroit Athletic Club.

The J.D. Power Initial Quality Study, which serves as the industry benchmark for new-vehicle quality, has been redesigned for 2013. The study has been enhanced to better measure the quality of today's vehicles, particularly problems related to new technologies and features now being offered. In addition, the study, now in its 27th year, allows for more detailed feedback from new-vehicle owners.

Nearly two-thirds of the problems experienced in the first 90 days of ownership are related to the vehicle's design, as opposed to components that malfunction. For example, the component may be working as designed, but owners deem it a problem because it may be difficult to understand or operate.

Because design problems are not the result of a breakdown or malfunction, just 9 percent of these problems are taken to a dealership within the first 90 days of ownership. When owners take their vehicle to a dealership for a design-related issue, the problem is fixed only 13 percent of the time. In contrast, 28 percent of owners who experience a defect or malfunction with their vehicle within the first 90 days of ownership take it to a dealership, and 42 percent of the time the dealership is able to fix the problem.

"Automakers are investing billions of dollars into designing and building vehicles and adding technologies that consumers desire and demand, but the risk is that the vehicle design, or the technology within the vehicle, in some cases may not meet customer needs," said David Sargent, vice president of global automotive at J.D. Power. "Keep in mind that automakers are trying to design vehicles that appeal to a broad array of consumers, and what works for the majority may not work for all. The successful companies will be those automakers that find a way to give customers the technology they want while at the same time making it sufficiently intuitive so all customers find it easy to use."

Overall initial quality for the industry averages 113 problems per 100 vehicles (PP100).¹ The study finds that many of the problems owners have with their vehicle relate to the driver interface, which includes voice recognition or hands-free technology, Bluetooth pairing for mobile phones, and the navigation system, among others.

 $<sup>^{1}</sup>$  Due to the redesign of the Initial Quality Study, problems per 100 vehicles (PP100) scores for the 2013 study cannot be compared with PP100 scores from previous years.

According to Sargent, some of these problems may be mitigated at the time of purchase by the salesperson explaining how to use the technology, and others may be remedied with software changes. However, features that are difficult for owners to operate, hard to understand, or inconveniently located in the vehicle likely will remain a problem for the life of the vehicle.

"Owners desire, and in some cases are demanding, more content in their new vehicles, especially technology-related features, and automakers are trying to provide it," said Sargent. "The majority of owners don't experience problems, but those who do are frustrated. That's understandable, especially when owners often keep their new vehicle for five years or more. In contrast, when consumers have a problem with their smartphone, they are likely to replace the phone much sooner."

## **2013 IQS Ranking Highlights**

Porsche ranks highest among nameplates included in the study, averaging 80 PP100. GMC ranks second with 90 PP100, and Lexus ranks third with 94 PP100. Infiniti (95 PP100) and Chevrolet (97 PP100) round out the five highest-ranked positions.

Among the 26 model-level <u>segment awards</u>, Chevrolet receives five, while Honda, Kia, Mazda and Porsche each receive two. Chevrolet models receiving an award are the Avalanche (tie), Camaro (tie), Impala, Silverado HD and Tahoe. Honda receives awards for the Civic and CR-V; Kia for the Soul and Sportage (tie); Mazda for the MAZDA2 and MX-5 Miata; and Porsche for the Boxster and 911.

The Lexus LS ranks highest in the Large Premium Car segment and achieves 59 PP100, the lowest average problem level among all models in the study.

Also receiving segment awards are Acura TL; Buick Encore (tie); Cadillac Escalade; Chrysler Town & Country; Ford Mustang (tie); GMC Sierra LD (tie); Hyundai Genesis Sedan; Infiniti FX; Mercedes-Benz GLK-Class; Nissan Murano; smart fortwo; and Toyota Camry.

### **Plant Assembly Line Quality Awards**

Toyota Motor Corporation's Lafayette B Plant (SIA) in Indiana, which produces the Toyota Camry, receives the Platinum Plant Assembly Line Quality Award for producing models that yield the fewest defects or malfunctions. Plant awards are based solely on average levels of defects and malfunctions and exclude design-related problems.

Among plants in the Asia Pacific region, the Toyota Motor Corporation Yoshiwara, Japan, (TABC) Plant, which produces the Lexus LX and Toyota Land Cruiser, receives a Gold Plant Assembly Line Quality Award.

In the Europe and Africa region, Audi AG receives a Gold Plant Assembly Line Quality Award for its Neckarsulm, Germany, plant, which produces the Audi A4, A5, A6, A7 and A8.

The 2013 U.S. Initial Quality Study is based on responses from more than 83,000 purchasers and lessees of new 2013 model-year cars, trucks and multi-activity vehicles surveyed after 90 days of ownership. The study is based on a 233-question battery designed to provide manufacturers with information to facilitate identification of problems and drive product improvement. The study was fielded between February and May 2013.

The study is used by manufacturers worldwide to improve quality and by consumers to help them make more informed purchasing decisions. Throughout the years, initial quality has been shown to be a leading indicator of long-term durability, which directly impacts customer loyalty and purchase decisions.

#### About J.D. Power

Headquartered in Westlake Village, Calif., J.D. Power is a global marketing information services company providing 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 <u>car reviews and ratings</u>, <u>car insurance</u>, <u>health insurance</u>, <u>cell phone ratings</u>, and more, please visit <u>IDPower.com</u>. J.D. Power is a business unit of McGraw Hill Financial.

#### **About McGraw Hill Financial**

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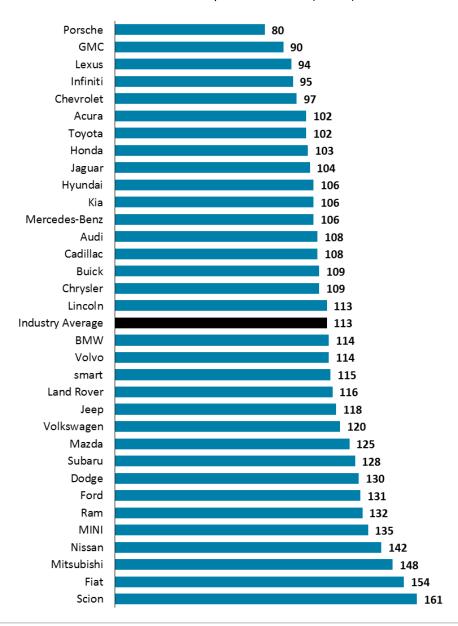
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(Page 3 of 3) NOTE: Four charts follow.

## 2013 Nameplate IQS Ranking

Problems per 100 Vehicles (PP100)



Source: J.D. Power 2013 U.S. Initial Quality Study<sup>SM</sup>

Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power as the publisher and the J.D. Power 2013 U.S. Initial Quality Study  $^{\rm SM}$  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 survey results without the express prior written consent of J.D. Power.

## Top Three Models per Segment Car Segments

City Car\*

**Highest Ranked: smart fortwo** 

**Chevrolet Spark** 

**Sub-Compact Car** 

**Highest Ranked: Mazda MAZDA2** 

Hyundai Accent Honda Fit

**Compact Car** 

**Highest Ranked: Honda Civic** 

Toyota Corolla Honda Insight

**Compact Sporty Car** 

**Highest Ranked: Mazda MX-5 Miata** 

Volkswagen Eos Volkswagen GTI

**Compact Premium Car** 

**Highest Ranked: Acura TL** 

Infiniti G Cadillac CTS

**Compact Premium Sporty Car** 

**Highest Ranked: Porsche Boxster** 

Nissan Z BMW Z4 Midsize Car

**Highest Ranked: Toyota Camry** 

Hyundai Sonata Buick Regal

Midsize Sporty Car\*

Highest Ranked: Chevrolet Camaro (tie)
Ford Mustang (tie)

Midsize Premium Car

Highest Ranked: Hyundai Genesis Sedan

Mercedes-Benz E-Class Sedan/Wagon Jaguar XF (tie) Lexus GS (tie)

**Large Premium Car** 

**Highest Ranked: Lexus LS** 

Audi A8 Porsche Panamera

Midsize Premium Sporty Car\*

**Highest Ranked: Porsche 911** 

**Large Car** 

**Highest Ranked: Chevrolet Impala** 

Hyundai Azera Chrysler 300 Series

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

Source: J.D. Power 2013 U.S. Initial Quality Study<sup>SM</sup>

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<sup>\*</sup> No other model in this segment performs above segment average.

# Top Three Models per Segment CUV, MPV, Van, Pickup Segments

**Sub-Compact CUV** 

Highest Ranked: Buick Encore (tie)
Kia Sportage (tie)

Nissan JUKE

**Compact CUV** 

**Highest Ranked: Honda CR-V** 

Toyota FJ Cruiser Chevrolet Equinox

**Compact Premium CUV** 

**Highest Ranked: Mercedes-Benz GLK-Class** 

Audi allroad Acura RDX

Compact MPV\*

Highest Ranked: Kia Soul Mazda MAZDA5

**Midsize CUV** 

**Highest Ranked: Nissan Murano** 

Buick Enclave Hyundai Santa Fe

**Midsize Premium CUV** 

**Highest Ranked: Infiniti FX** 

Lexus GX
Porsche Cayenne

Minivan\*

**Highest Ranked: Chrysler Town & Country** 

Honda Odyssey

Large CUV\*

**Highest Ranked: Chevrolet Tahoe** 

Toyota Sequoia

Large Premium CUV\*

**Highest Ranked: Cadillac Escalade** 

Mercedes-Benz GL-Class

**Large Light Duty Pickup** 

Highest Ranked: Chevrolet Avalanche (tie)
GMC Sierra LD (tie)

Chevrolet Silverado LD

**Large Heavy Duty Pickup\*** 

Highest Ranked: Chevrolet Silverado HD GMC Sierra HD

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

Source: J.D. Power 2013 U.S. Initial Quality Study<sup>SM</sup>

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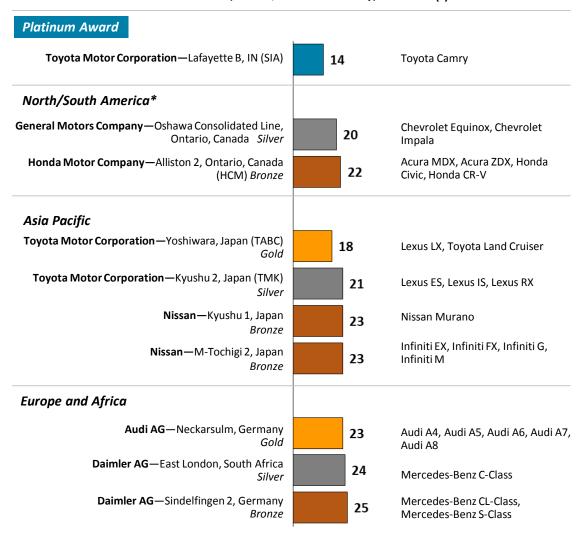
<sup>\*</sup> No other model in this segment performs above segment average.

## **2013 Plant Assembly Line Quality Award Recipients**

Based on Models Produced for U.S. Market

Problems per 100 Vehicles (Defects/Malfunctions Only)

Model(s) Produced at Plant



<sup>\*</sup>Because Toyota Motor Corporation was awarded the Platinum Award, which represents the top assembly plant in the world for initial quality, no Gold Award is issued for North/South America.

Source: J.D. Power 2013 U.S. Initial Quality Study<sup>SM</sup>

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