



J.D. Power Asia Pacific Reports: Honda Models Rank Highest in Three of Seven Vehicle Segments in Automotive Initial Quality in India

Two Chevrolet Models, One Maruti Suzuki Model and One Toyota Model Also Rank Highest In Their Respective Segments

SINGAPORE: 27 November 2008 — Honda models have improved considerably in initial quality from 2007, garnering three model-level awards and emerging as the most-improved nameplate, according to the J.D. Power Asia Pacific 2008 India Initial Quality StudySM (IQS) released today.

The study, which measures problems customers experience with their new vehicles during the first two to six months of ownership, examines more than 200 problem symptoms covering eight vehicle components. These components, listed in order of frequency of reported problems, include: engine and transmission; vehicle exterior; driving experience; HVAC; features, controls and displays; vehicle interior; seats and audio, entertainment and navigation. Overall quality performance is determined by the problems experienced per 100 vehicles (PP100), with a lower score reflecting higher quality.

Three Honda models rank highest in their respective segments. The CR-V (33 PP100) ranks highest in the SUV segment for a second consecutive year, improving by 17 PP100 from 2007. The City (68 PP100) and Civic (78 PP100) each also improve considerably from 2007 to rank highest in the midsize and premium midsize segments, respectively, in 2008.

The Chevrolet Spark ranks highest in the compact car segment with a score of 148 PP100. The Chevrolet U-VA improves by 21 PP100 from 2007 to rank highest in the premium compact segment in 2008 with a score of 102 PP100.

In the entry midsize segment, the newly launched Maruti Swift DZire ranks highest with 166 PP100. In the MUV/MPV segment, the Toyota Innova (98 PP100) ranks highest for a second consecutive year.

"Improvement in initial quality is a must if manufacturers are to earn trust and acceptance from customers, which is in turn essential in gaining market share," said Mohit Arora, senior director at J.D. Power and Associates, Singapore. "Honda has performed consistently well in initial quality in the past, and the brand's improvements in 2008 reflect its renewed commitment to providing particularly high levels of initial quality."

Overall initial quality in India averages 187 PP100 in 2008, down 14 points from 2007. Problems related to engine and transmission are reported most frequently by customers, followed by problems related to vehicle exterior and driving experience. Excessive fuel consumption continues to be the problem most frequently reported by customers.

"Occurrence of problems, particularly during the initial ownership period, leads not only to increased dissatisfaction, but also to lower levels of customer loyalty and advocacy," said Arora. "Customers who report an initial quality problem are much less likely to repurchase or recommend the same make, compared with those who do not report experiencing a problem. Loyalty and advocacy intentions decline by 18 and 22 percentage points, respectively, among customers who report experiencing problems during the initial ownership period."

The 2008 India Initial Quality Study (IQS), now in its 12th year, is based on evaluations from more than 6,000 owners who purchased a new vehicle between November 2007 and July 2008. The study includes 45 vehicle models covering 12 makes. The study was fielded from May to September 2008 in 20 cities across India.

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J.D. Power Asia Pacific has offices in Tokyo, Singapore and China which conduct customer satisfaction research and provide consulting services in the automotive, information technology and finance industries. Together, the three offices bring the language of customer satisfaction to consumers and businesses in 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 <u>www.jdpower.com</u>. Media e-mail contact: <u>mohit_arora@jdpower.com.sg</u>.

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company operating in key business sectors including market research, forecasting, performance improvement, training and customer satisfaction. The company's quality and satisfaction measurements are based on responses from millions of consumers annually. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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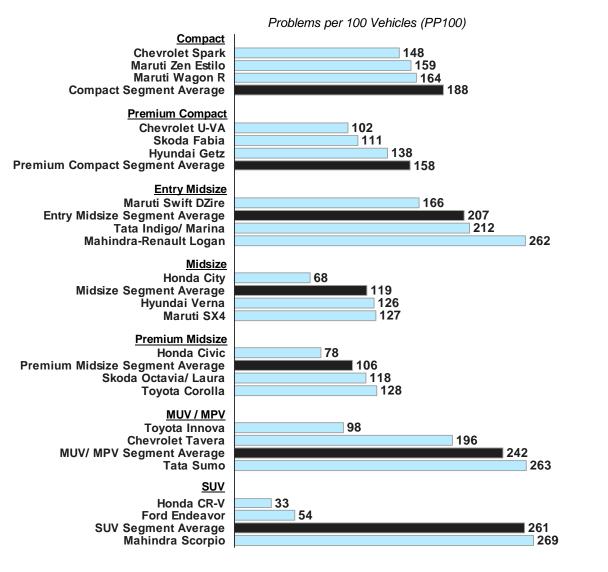
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NOTE: One chart follow.

J.D. Power Asia Pacific 2008 India Initial Quality StudySM (IQS)

Top Three Vehicles per Segment in Initial Quality

(Lower score reflects better quality performance)



Note: No official rankings are published for the entry compact, entry luxury and van segments due to an insufficient number of models in the sample.

Source: J.D. Power Asia Pacific 2008 India Initial Quality StudySM (IQS)

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