



Press Release

J.D. Power Asia Pacific Reports: Amidst a Slowing Passenger-Car Market, Facilitating Dealers in Generating Revenue from Diversified Sources Strengthens OEM-Dealer Working Relationship

Toyota Ranks Highest for a Second Consecutive Year Among Automotive Manufacturers in Satisfying Dealers in India

SINGAPORE: 16 May 2012 — Vehicle dealers in India are managing the risks of a slowdown in the automotive market by increasingly diversifying their sources of revenue, according to the J.D. Power Asia Pacific 2012 India Dealer Satisfaction with Automotive Manufacturers Index Study SM released today.

The study finds that dealers in India are expecting to generate 34 percent of their revenue through sales activities such as parts and accessories as well as automobile insurance and commissions on loans, which represents an increase from approximately 22 percent in 2011. Moreover, dealer satisfaction with the working relationship with auto manufacturers is higher among those who expect a greater proportion of income from diversified sources.

“The growth rate of passenger-car sales in India this year has been the slowest since the 2008-09 fiscal year, when sales were impacted due to the global financial crisis,” said Mohit Arora, executive director at J.D. Power Asia Pacific, Singapore. “With fewer retail sales and subsequently lower revenue from service within warranty, dealerships are looking at additional sources of income to diversify their business risks.”

Arora added that dealers rely on automakers’ support in generating additional revenue through these sources, which is important in maintaining their viability and further strengthens the dealer-manufacturer working relationship.

Now in its second year, the study measures dealer satisfaction with vehicle manufacturers or importers and identifies dealer attitudes regarding the automotive sales business. Overall dealer satisfaction is determined by examining nine factors: marketing and sales activities; product; vehicle ordering and delivery; sales team; parts; warranty claims; after-sales team; training; and support from the manufacturer. The study is designed to provide manufacturers with insights about dealer opinions and attitudes to help them improve dealer relations. In addition, the study identifies key network-related opportunities and challenges to assist automakers in achieving their overall business objectives.

The study finds that overall dealer satisfaction with automotive manufacturers averages 820 points on a 1,000-point scale in 2012, up from 749 points in 2011. Overall satisfaction improves across all nine factors, with the largest improvement occurring in support from the manufacturer, which is also the most influential factor.

Dealers who indicate their experience in vehicle ordering was “better than expected” are notably more satisfied with their respective manufacturers than are dealers who have a less satisfying ordering experience. Dealers’ satisfaction with the timeliness of vehicle delivery improved the most among all attributes in the study in 2012, as the proportion of dealers who indicate they are “delighted” (providing a score of 10 on a 10-point scale) with this attribute has doubled from 2011. Additionally, more than one-half of the dealers surveyed for the 2012 study indicate automakers invoice vehicles on the same day of order placement, compared with approximately one-third of dealers in 2011. Nearly 80 percent of dealers say they are able to track the real-time delivery status of vehicles, which also allows them to track delays and changes in the delivery status.

“Automobile manufacturers in India strive to minimize dealer dissatisfaction due to delay in vehicle delivery by reducing supply constraints and improving communication about any eventual delays,” said Arora. “Not only are the dealers more satisfied with the order and delivery of vehicles, but also they seem to appreciate being better informed about any eventual delays or changes in the delivery status. Having a more informed and satisfied dealer network in turn aids manufacturers in enhancing customer relations and boosting sales.”

Among the manufacturers included in the 2012 study, Toyota ranks highest in overall satisfaction for a second consecutive year with a score of 913. Hyundai ranks second with a score of 878, followed by Maruti Suzuki (858 points).

The 2012 India Dealer Satisfaction with Automotive Manufacturers Study is based on responses from 583 dealer principals or dealership general managers located in more than 208 cities throughout India. The study was conducted in association with the Federation of Automobile Dealers Associations (FADA), and was fielded between February and March 2012.

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 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: xingtli_liu@jdpower.com.sg.

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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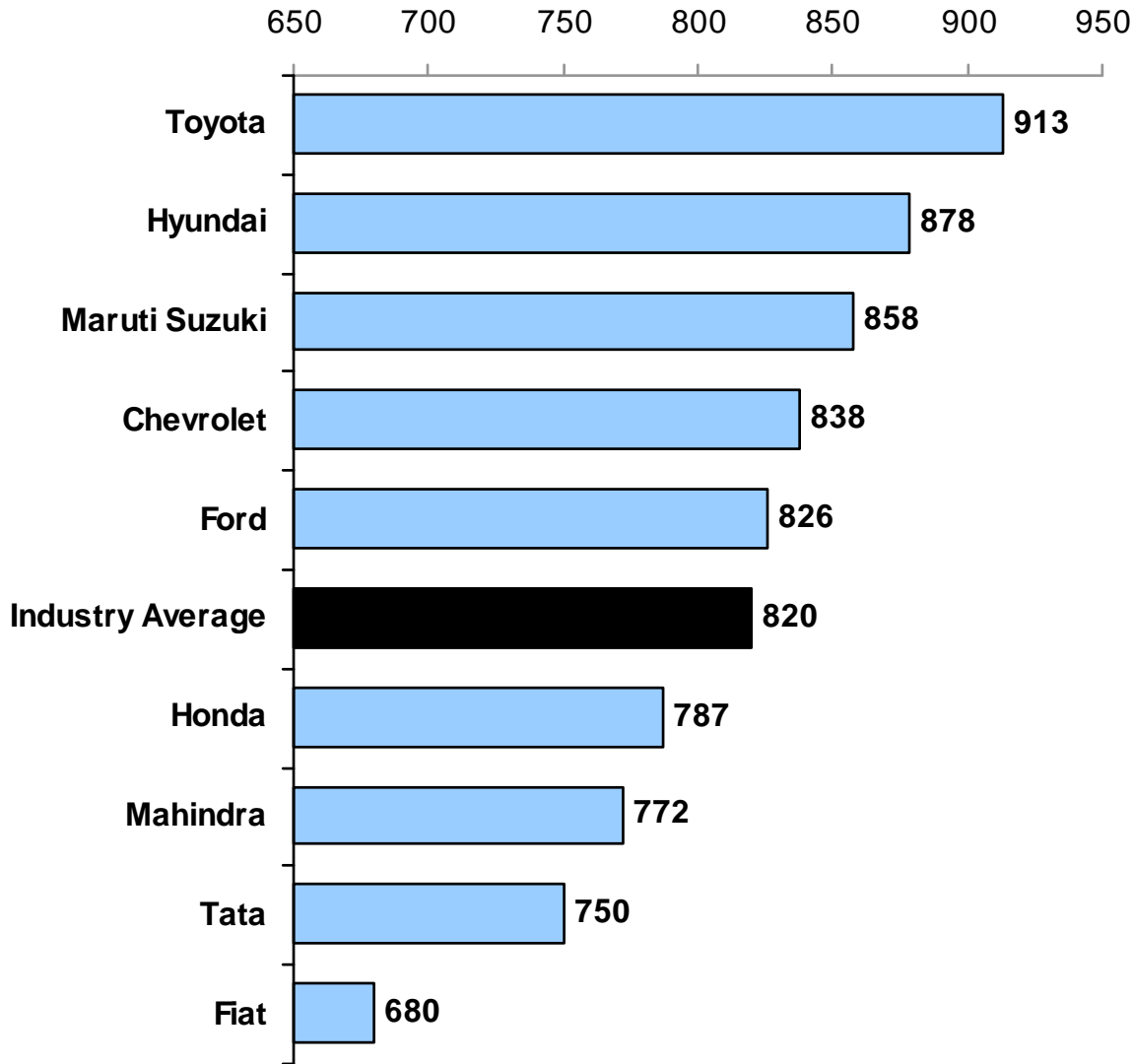
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NOTE: Two charts follow.

J.D. Power Asia Pacific 2012 India Dealer Satisfaction with Automotive Manufacturers StudySM

Dealer Satisfaction Index Ranking (Based on 1,000-point scale)



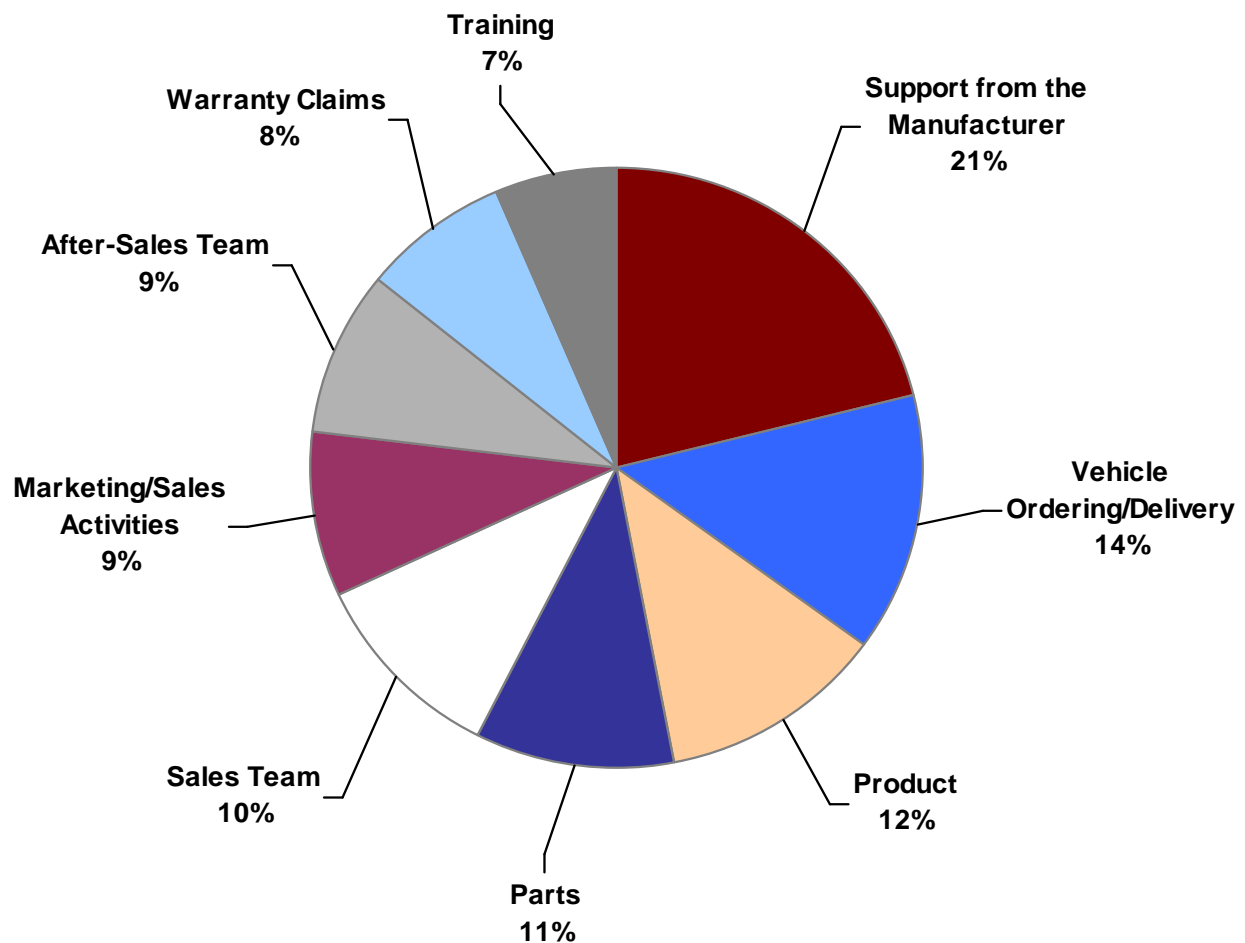
NOTE: Included in the study but not ranked due to small sample size are: Audi, BMW, Mercedes-Benz, Nissan, Skoda and Volkswagen.

Source: J.D. Power Asia Pacific 2012 India Dealer Satisfaction with Automotive Manufacturers StudySM

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Factors Contributing to Dealer Satisfaction



NOTE: Percentages may not total 100 due to rounding.

Source: J.D. Power Asia Pacific 2012 India Dealer Satisfaction with Automotive Manufacturers StudySM

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