



Press Release

J.D. Power Asia Pacific Reports: New-Vehicle Owners in India Report Significantly Fewer Fuel Consumption-Related Problems During the Past Five Years

Honda and Toyota Each Receive Two Model-Level Initial Quality Awards

SINGAPORE: 30 November 2012 — While the incidence of initial quality problems reported by new-vehicle owners in India is slightly higher in 2012 than in 2011, the incidence of problems related to excessive fuel consumption has significantly declined during the past five years, according to the J.D. Power Asia Pacific 2012 India Initial Quality StudySM (IQS) released today.

The study, now in its 16th year, measures problems owners experience with their new vehicle during the first two to six months of ownership and examines more than 200 problem symptoms covering eight vehicle categories (listed in order of frequency of reported problems): engine and transmission; vehicle exterior; driving experience; HVAC; features, controls and displays; 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 averages 120 PP100 in 2012, which is a slight increase from 119 PP100 in 2011. The number of owner-reported initial quality problems has remained largely unchanged across all categories from 2011.

There has been a significant reduction of 23 percent in the incidence of problems related to excessive fuel consumption during the past five years, which indicates that automakers in India are producing more fuel-efficient vehicles. Vehicle owners report fuel economy figures in 2012 that are 10 percent higher than in 2008.

“Historically, fuel efficiency has been one of the key drivers of model consideration and purchase in India,” said Mohit Arora, executive director at J.D. Power Asia Pacific, Singapore. “The reduction in fuel consumption-related problems is a result of both the advancements in engine technology and the adoption of smaller engine capacities in the Indian automotive industry. The effectiveness of these initiatives is clearly visible via fewer owner-reported problems with excessive fuel consumption.”

However, the study also finds a gap between the promise of fuel efficiency made during the purchase process and the actual fuel efficiency experienced by owners. In 2012, 67 percent of new-vehicle owners report that their vehicle’s fuel efficiency was less than what their salesperson communicated to them during the purchase process, an increase of five percentage point since 2008.

“Fuel efficiency perceptions remain an area that the industry still needs to work on,” said Arora. “As technological advancements make vehicles more sophisticated, clearer communication during the purchase process will help set more realistic owner expectations on product performance. It would be prudent for automakers and their dealer networks to continue efforts to bridge the gap between expectations and reality on product performance.”

Honda and Toyota each have two models that rank highest in their respective segments. The Honda City ranks highest in the midsize segment for a 10th consecutive year, while the newly launched Honda Brio ranks highest in the premium compact car segment. The Toyota Innova ranks highest in the MUV/MPV segment for a sixth consecutive year, and the Toyota Fortuner ranks highest in the SUV segment.

The Hyundai Santro receives the award in the compact car segment, and the Maruti Suzuki Swift DZire

receives the award in the entry midsize car segment for a third consecutive year.

The study finds that vehicle owner expectations of the incidence of quality issues they may experience have a strong bearing on model advocacy. Among vehicle owners who experience more problems than expected, 38 percent say they “definitely would” recommend their model, compared with 73 percent among those who experience fewer problems than expected.

The 2012 India Initial Quality Study (IQS) is based on evaluations from 8,688 owners who purchased a new vehicle between November 2011 and July 2012. The study includes 94 vehicle models from 16 makes. The study was fielded from May to September 2012 in 25 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, 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:* xingtliu@jdpower.com.sg.

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Media Relations Contacts:

Xingtliu; J.D. Power Asia Pacific; 08-Shenton Way, #44-02/03/04; Singapore, 068811; Phone +65-67338980;
xingtliu@jdpower.com.sg

John Tews; Director, Media Relations; J.D. Power and Associates; 320 E. Big Beaver; 5th floor, Suite 500; Troy, MI, 48063 U.S.A.; 001 248-680-6218; media.relations@jdpa.com

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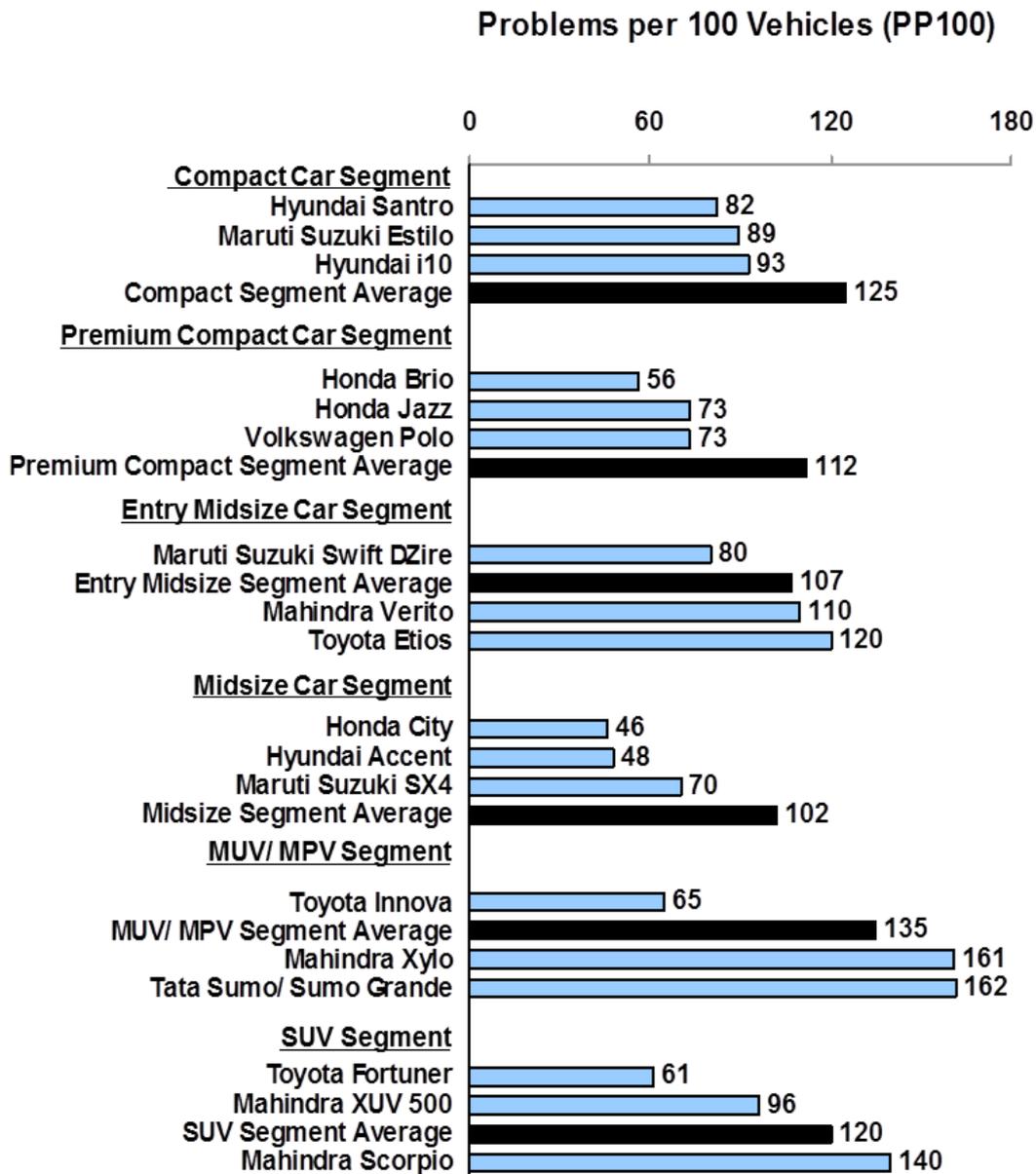
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NOTE: One chart follows.

J.D. Power Asia Pacific 2012 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, premium midsize and van segments.

Source: J.D. Power Asia Pacific 2012 India Initial Quality StudySM (IQS)

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