J.D. POWER

Press Release

Audi Ranks Highest Among Nameplates in Vehicle Dependability in Mexico; Toyota Receives Four Segment Awards

Engine and Transmission Problems among Most Severe; Yet Few Owners Have Them Serviced by a Dealer

MEXICO CITY: 20 Oct. 2016 — Audi ranks highest in vehicle dependability among all nameplates in Mexico, according to the J.D. Power 2016 Mexico Vehicle Dependability StudySM (VDS), released today.

The study measures problems experienced during the past 12 months by original owners of vehicles in Mexico after 12-36 months of ownership. The study examines 177 problem symptoms across eight categories: engine and transmission; vehicle exterior; driving experience; features/controls/ displays; audio/communication/entertainment/navigation (ACEN); seats; heating, ventilation and cooling (HVAC); and vehicle interior. Overall dependability is determined by the number of problems experienced per 100 vehicles (PP100), with a lower score reflecting higher quality.

Audi ranks highest with a score of 34 PP100. **BMW** ranks second with 35 PP100, followed by **Acura** with 36 PP100 and **Buick** and **Mercedes-Benz** each with 41 PP100. The overall industry average is 137 PP100, an improvement from 164 PP100 in 2015.

Dependability and reliability are critical in today's automotive market. For example, among owners who do not experience any problems with their vehicle, 67% say they "definitely will" repurchase the same brand again and 73% say they "definitely will" recommend the brand to family and friends. Among owners who experience just one problem with their vehicle, intended loyalty drops to 59% and intended advocacy drops to 70%. Less than half of owners who experience three or more problems with their vehicle intend to buy the same brand again and less than 61% intend to recommend the brand to others.

"Reliability affects consumer confidence, and has a direct effect on purchase decisions and brand loyalty," said **Gerardo Gomez, director and country manager at J.D. Power de México**. "And all of those have financial ramifications for automakers."

Eight of the 10 problems owners report as most severe are in the engine/transmission category, led by engine overheating, excessive fuel consumption and excessive oil consumption. Surprisingly, only 59% of owners who experienced an engine overheating problem took their vehicle to the dealership to have the issue serviced.

"Severe problems have a negative impact on the customer experience, but if they don't take the vehicle to the dealership, the dealer doesn't have a chance to fix the problem and perhaps improve the owner's perceptions of the vehicle's dependability," said Gomez. "By reaching out to customers on a regular basis, asking them about their ownership experience and encourage them to bring their car to the service department when they experience a problem, dealers have an opportunity to build customer trust and loyalty."

Highest-Ranked Models

Toyota has four models (Avanza, Highlander, Hilux and Sienna) that receive segment awards and Audi has two (A1 and A5). Receiving one award each are BMW (X3); Ford (F-Series Light Duty/Super Duty); Honda (Fit); Jeep (Compass); Nissan (March); and Mazda (Mazda6).

Other key findings of the study include:

- **Interior Most Problematic:** The most frequently reported problems are in the interior category (25.3 PP100), followed by driving experience (21.2 PP100) and exterior (21.2 PP100).
- Not All Problems Are Equal: Many problems that have a large negative impact on loyalty are not problems many people would consider severe. However, the study finds that owners who report problems such as shift lever excessively worn or faded, speakers broken or writing on controls faded or removed have the lowest intended loyalty. "These problems may seem trivial, but they are in the owner's mind every time they drive the vehicle," said Gomez.
- **Problems Increase with Age:** The number of owner-reported problems increases as vehicles age. Owners of 2015 model-year vehicles report an average of 96 PP100, nearly half the number of 182 PP100 reported by owners of 2013 model-year vehicles.
- **Owner Satisfaction Slips:** The 2016 Mexico VDS also measures owner satisfaction with their vehicle. Owners are asked to rate various aspects of their vehicle, including its interior, exterior, ACEN, driving dynamics and visibility and safety, which comprise an overall vehicle satisfaction index based on a 1,000-point scale. Overall satisfaction averages 850 in 2016. Owner satisfaction is highest with the exterior (864) and driving dynamics (861) aspects of their vehicle and lowest with ACEN (830) and fuel economy (839).
- **Top Two Problems With Vehicle Interior:** The most commonly reported problems by owners in Mexico are seat material problems (3.4 PP100), interior materials scuffing or soiling easily (3.3 PP100) and noisy brakes (3.2 PP100). In comparison, the top two problems reported by owners in the United States are Bluetooth pairing/connectivity and built-in voice recognition systems misinterpreting commands.¹ Bluetooth connectivity is the fifth-most frequently reported problem in Mexico (2.9 PP100).

The 2016 Mexico Vehicle Dependability Study (VDS) is based on the evaluations of 9,400 interviews with owners in Mexico who purchased their vehicle from March 2013 through June 2015. The study was fielded from March through July 2016.

See the online press release at <u>http://www.jdpower.com/pr-id/2016187</u>.

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Note: Two charts follow.

¹ Source: J.D. Power 2015 U.S. Vehicle Dependability Study[™]

J.D. Power 2016 Mexico Vehicle Dependability Study[™] (VDS)



2016 Nameplate VDS Ranking

Problems per 100 Vehicles (PP100)

Source: J.D. Power 2016 Mexico Vehicle Dependability StudySM (VDS)

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J.D. Power 2016 Mexico Vehicle Dependability Study[™] (VDS)

Top Three Models per Segment

Compact

Highest Ranked: Toyota Avanza Toyota Corolla

SEAT Toledo

Entry Pickup

Highest Ranked: Toyota Hilux Mitsubishi L200 Ford Ranger

Entry Premium

Highest Ranked: Audi A1 MINI Countryman BMW X1

Entry Sub-Compact

Highest Ranked: Nissan March Chevrolet Spark

Chevrolet Matiz

Entry SUV

Highest Ranked: Jeep Compass Chevrolet Captiva Sport Chevrolet Trax

Fullsize Pickup*

Highest Ranked: Ford F-Series Light-Duty/Super Duty

Mid Premium

Highest Ranked: Audi A5 BMW 3 Series Mercedes-Benz E-Class

Midsize

Highest Ranked: Mazda Mazda6 Honda Accord Ford Fusion

Midsize SUV

Highest Ranked: Toyota Highlander Chevrolet Traverse Jeep Grand Cherokee

Minivan*

Highest Ranked: Toyota Sienna Honda Odyssey

Premium SUV

Highest Ranked: BMW X3 Audi Q3 Acura RDX

Upper Sub-Compact

Highest Ranked: Honda Fit Honda City Nissan Tiida

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

Note: There must be at least four models with 67% of market sales or at least three models with 80% of market sales in any given award segment for an award to be presented.

For more detailed findings on vehicle quality and dependability performance, visit www.jdpower.com/dependability

Source: J.D. Power 2016 Mexico Vehicle Dependability StudySM (VDS)

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