

Dealership Service Plays a Key Role in Owners' Perceived Vehicle Dependability in Mexico

MINI and Kia Rank Highest in Overall Vehicle Dependability

MEXICO CITY: 14 Nov. 2018 — Vehicle owners in Mexico rate problems with their vehicles on a severity scale of 1 to 5, with 5 being the most severe. Among eight of the 10 most severe vehicle problems, owners visit a dealership less than 75% of the time to have these issues resolved, according to the J.D. Power 2018 Mexico Vehicle Dependability StudySM (VDS), released today. The problems with the highest severity tend to be issues that are dangerous, costly to repair or perceived as vital to the vehicle's function.

“The models we examine in the Vehicle Dependability Study are covered under warranty, but owners are still hesitant to take their vehicles to a dealership even to fix problems as simple as learning how to operate their Bluetooth system or fix paint imperfections,” said **Gerardo Gomez, Senior Director and Country Manager at J.D. Power de Mexico**. “Dealers need to examine why this is and improve their best practices because, in some cases, they may be able to resolve the issue and create a more positive ownership experience for customers. The longer someone drives a vehicle that has an actual or perceived quality issue, the less likely that owner is to purchase that model again.”

The study, now in its fourth year, 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 problems 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.

Another metric for dealers to consider is the Net Promoter Score[®] (NPS),¹ new to the study, which measures customers' likelihood to recommend both their vehicle make and model on a 0-10 scale. Customers are segmented into three groups: detractor (0-6), passive (7-8) or promoter (9-10). NPS is calculated by subtracting the percentage of detractors from the percentage of promoters.

Following are key findings of the 2018 study:

- **Luxury and mass market owners agree:** In addition to problems experienced, the study also measures owner satisfaction with all aspects of a vehicle using an APEAL (automotive performance, execution and layout) index. Owners' emotional attachment and level of excitement across attributes are combined into an overall APEAL index score that is measured

¹ Net Promoter,® Net Promoter System,® Net Promoter Score,® NPS,® and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

on a 1,000-point scale, with a higher score indicating higher satisfaction. The highest-performing category in both the luxury and mass market segments is vehicle exterior (919 and 872, respectively), followed by driving dynamics (914 and 885); and visibility and safety (913 and 864). Fuel-economy is lowest for luxury (858) and second-lowest for mass market (832).

- **Long-term quality affects NPS:** The study finds satisfaction among customers who are promoters of their vehicle model is 216 points higher than among those who are detractors. The NPS is highest for both luxury and mass market vehicle owners who have a problem-free experience in the first three years. For luxury owners, there is a clear distinction between those who experience one or no problems and those with two or more problems: NPS drops 20 points when two or more problems are experienced vs. one problem. For mass market owners, there is a sizable drop once the first problem is encountered (-11 points) and then again when four or more problems are experienced (-14 points).
- **Vehicle interior is still problematic:** Interior is the category where owners experience the most problems (32.4 PP100). The most common interior problems are materials scuff/soil easily (3.9 PP100), followed by steering wheel—excessively worn/faded (2.8 PP100); shift lever knob—excessively worn/faded (2.1 PP100); and glove box—squeak/rattle/other noise (2.1 PP100).
- **Driving experience and engine/transmission problems affect loyalty:** The 10 most severe problems in the industry fall under the driving experience and engine/transmission categories. Customers who experience any of the top 10 most severe problems are less likely to repurchase the same make again, with only 47% saying they “definitely will” repurchase, compared with the study average of 62%.

“Half of the most severe problems are in the engine/transmission category, including excessive fuel consumption, engine overheating, abnormal transmission noises, fluid leaks and abnormal engine noises,” Gomez said. “While some problems need to be addressed during vehicle production, dealers should reach out to customers and encourage them to come in for service when needed because some problems are a quick fix and can help create return buyers.”

Study Rankings

MINI ranks highest in vehicle dependability among luxury brands and performs highest overall, with a score of 64 PP100. **GMC** ranks second with 76 PP100 and **Mercedes-Benz** ranks third with 84 PP100.

Kia ranks highest among mass market brands, with a score of 108 PP100. **Honda** ranks second with 125 PP100, followed by **Toyota** with 131 PP100.

Mercedes-Benz ranks highest in APEAL among luxury brands, with a score of 916. **Mazda** ranks highest among mass market brands (888).

The 2018 Mexico Vehicle Dependability Study (VDS) is based on the evaluations of 9,215 interviews with owners in Mexico who purchased their vehicle from February 2015 through February 2017. The study was fielded from April through August 2018.

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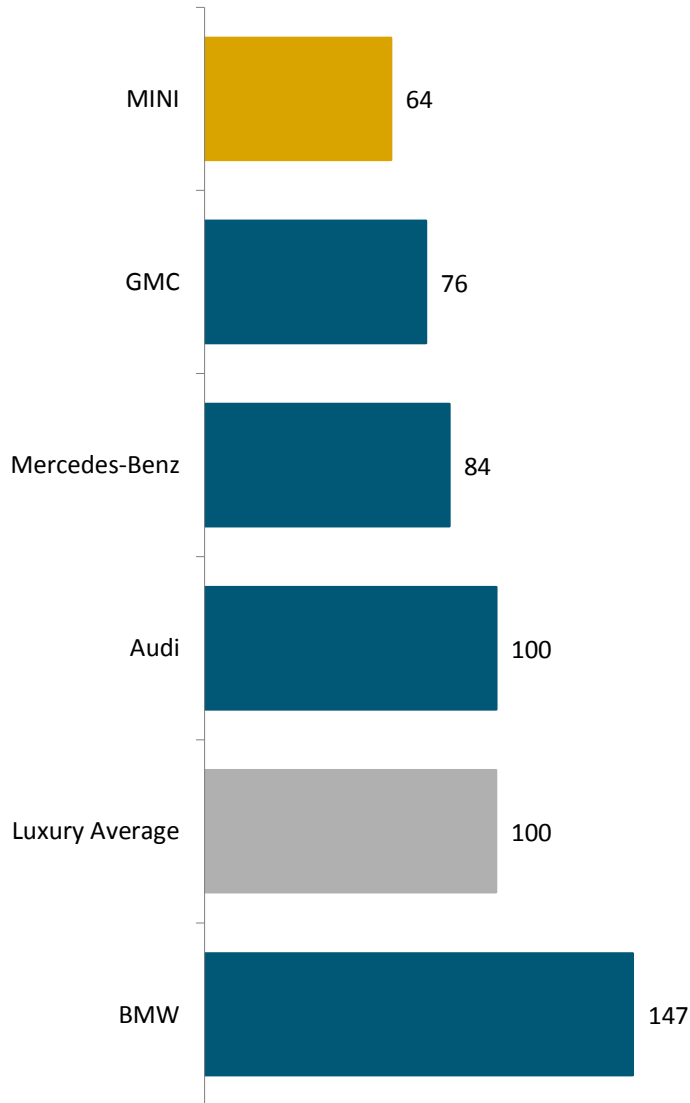
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NOTE: Five charts follow.

J.D. Power 2018 Mexico Vehicle Dependability StudySM (VDS)

2018 Nameplate VDS Ranking—Luxury *Problems per 100 Vehicles (PP100)*



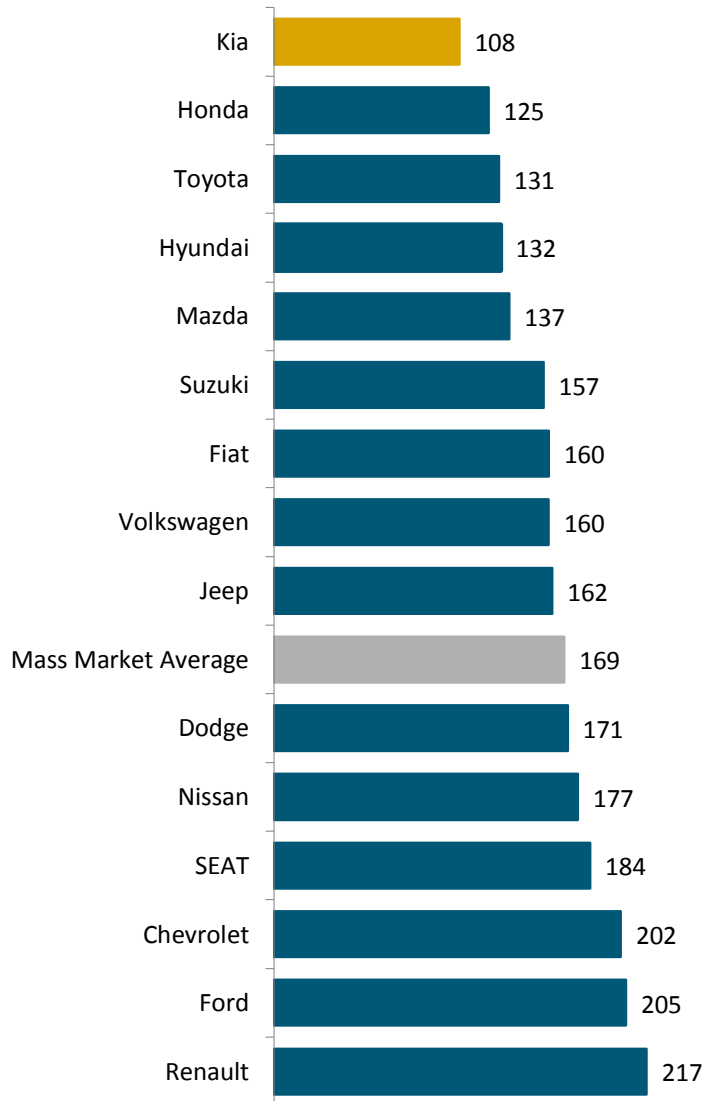
Note: Buick and Infiniti are included in the study, but are not ranked due to small sample size.

Source: J.D. Power 2018 Mexico Vehicle Dependability StudySM (VDS)

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J.D. Power 2018 Mexico Vehicle Dependability StudySM (VDS)

2018 Nameplate VDS Ranking—Mass Market *Problems per 100 Vehicles (PP100)*



Note: Chrysler, Peugeot, and RAM are included in the study, but are not ranked due to small sample size. Mitsubishi, while sufficient, does not meet the required criteria for rank eligibility.

Source: J.D. Power 2018 Mexico Vehicle Dependability StudySM (VDS)

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2018 Mexico Vehicle Dependability StudySM (VDS)

Top Three Models per Segment

Compact Highest Ranked: Hyundai Elantra Toyota Corolla Kia Forte	Entry SUV Highest Ranked: Mazda CX-3 Chevrolet Trax
Crossover Highest Ranked: Honda HR-V Nissan Kicks	Midsize Highest Ranked: Toyota Camry Nissan Altima Mazda Mazda6
Entry Premium Highest Ranked: MINI Cooper	Midsize SUV Highest Ranked: Honda CR-V Toyota RAV4 Mazda CX-5
Entry Sub-Compact Highest Ranked: Chevrolet Spark NG Hyundai Grand i10 Nissan March	Upper Sub-Compact Highest Ranked: Kia Rio Volkswagen Polo Honda City

Top three models and award recipients include only those at or above respective segment averages.

Note: There must be at least three models with 80% of market sales or four models with 67% of the market sales in any given award segment for an award to be presented. Entry Pickup, Fullsize Pickup, Fullsize SUV, Mid Premium, Mini Pickup, Minivan, Premium SUV, and Sporty segments did not meet criteria to be award eligible, thus no awards will be issued.

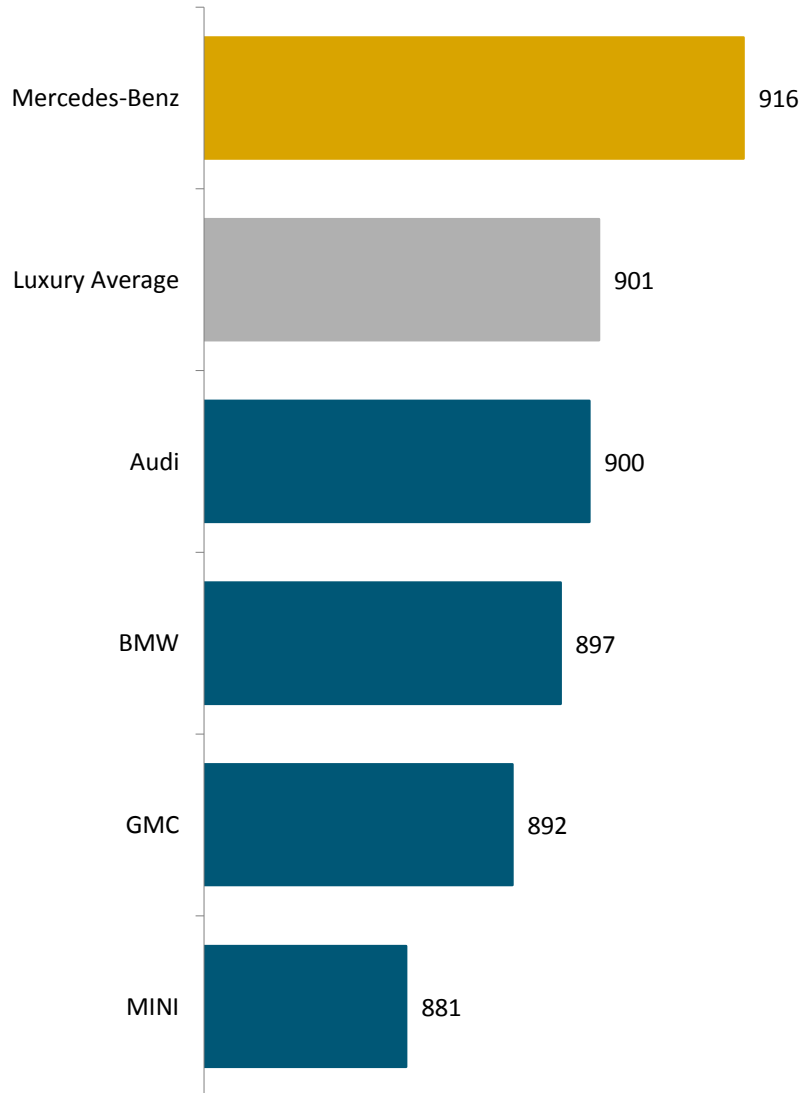
**For more detailed findings on vehicle quality and dependability performance,
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Source: J.D. Power 2018 Mexico Vehicle Dependability StudySM (VDS)

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J.D. Power 2018 Mexico Vehicle Dependability StudySM (VDS)

2018 Nameplate APEAL Ranking—Luxury



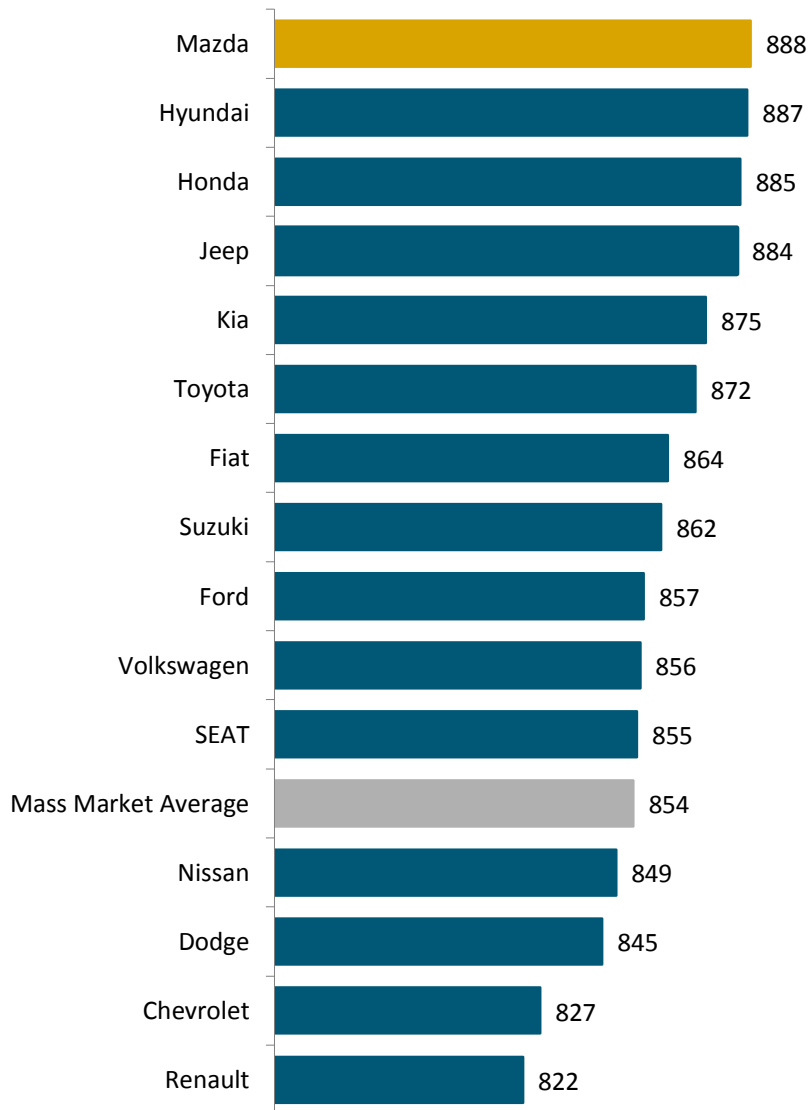
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J.D. Power 2018 Mexico Vehicle Dependability StudySM (VDS)

2018 Nameplate APEAL Ranking—Mass Market



Note: Chrysler, Peugeot, and RAM are included in the study, but are not ranked due to small sample size. Mitsubishi, while sufficient, does not meet the required criteria for rank eligibility.

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