

Press Release

J.D. Power and Associates Reports: While Vehicle Dependability Continues to Improve, New Technologies and Features Pose Challenges for Automakers

<u>Toyota Motor Corporation Models Receive Seven Awards</u>, While Models from Ford Motor Company Receive Four Awards

WESTLAKE VILLAGE, Calif.: 17 March 2011 — Overall vehicle dependability has improved from 2010, with automakers succeeding in reducing problem rates in many traditional areas, but experiencing some challenges in overcoming problems with newer technologies and features, according to the J.D. Power and Associates 2011 U.S. Vehicle Dependability StudySM (VDS) released today.

The study, which measures problems experienced during the past 12 months by original owners of three-year-old (2008 model year) vehicles, includes 202 different problem symptoms across all areas of the vehicle. Overall dependability is determined by the level of problems experienced per 100 vehicles (PP100), with a lower score reflecting higher quality.

The Vehicle Dependability Study is used extensively by vehicle manufacturers worldwide to help design and build better vehicles—which typically translates to higher resale values and higher customer loyalty. It also helps consumers make more-informed choices for both new- and used-vehicle purchases. Among new-vehicle shoppers, perception of quality and dependability is the most influential factor in their decision to purchase a specific vehicle model, according to J.D. Power and Associates.

In 2011, overall vehicle dependability averages 151 PP100—the lowest problem rate since the inception of the study in 1990—and improves from 170 PP 100 in 2009. Between 2009 and 2011, annual improvement for the industry has averaged 6 percent, which is slightly lower than historical rates of improvement. During the past decade, industry improvement has averaged 8 percent each year.

The slowdown in improvement is largely attributable to increased rates of problems with electronic features in vehicles, including audio, entertainment and navigation systems and new safety features, such as tire pressure monitoring systems.

"Automakers, as a whole, have made significant improvements in reducing traditional problems, particularly with vehicle interiors; engines and transmissions; and steering and braking during the past several years," said David Sargent, vice president of global vehicle research at J.D. Power and Associates. "However, as manufacturers add new features and technologies to satisfy customer demand and new legislation, they face the potential for introducing new problems."

According to Sargent, as newer technologies become more widespread, enhancing the dependability of these features has become an important point of differentiation among automakers.

Highest-Ranked Nameplates and Models

For the first time since the inception of the study, Lincoln leads the overall nameplate rankings in 2011. Lincoln improves by 13 PP100 from 2010. Lexus follows Lincoln in the nameplate rankings. Rounding out the top five nameplates are Jaguar, Porsche and Toyota. The Porsche 911 has the fewest problems in the industry, with just 68 PP100.

Toyota Motor Corporation continues to perform well in long-term dependability and garners seven segment awards—more than any other automaker in 2011—for the Lexus RX, Scion xB, Toyota 4Runner, Toyota Prius, Toyota Sienna, Toyota Tacoma and Toyota Tundra. Ford Motor Company receives four model awards for the Ford Fusion, Ford Mustang, Lincoln MKZ and Lincoln Navigator. General Motors (Buick Lucerne, Cadillac DTS, and Chevrolet Tahoe) and Honda Motor Company (Acura RL, Honda CR-V and Honda Fit) each receive three awards. In addition, the following models also receive awards: BMW X3, Mazda MX-5 Miata, and Mercedes-Benz CLK.

The study finds that while domestic brands have closed the gap in initial quality with import brands, there is still a considerable difference between the two in vehicle dependability, with import brands outperforming domestic brands by 18 PP100 in 2011. This is consistent with findings of the 2008 Initial Quality Study, SM which examined the models included in the 2011 VDS after 90 days of ownership. While domestic brand cars have fewer problems (135 PP100, on average) than import brand cars (147 PP100, on average), trucks and crossover vehicles of import brands have considerably fewer problems than those of domestic brands.

In addition to affecting brand image and brand loyalty, long-term dependability also has a notable effect on dealership service and customer service spending. As the number of problems experienced increases, owners are increasingly likely to use non-dealer service facilities for paid service work. In addition, as the number of problems increases, the percentage of owners who say they "definitely will" return to their dealer for service diminishes. Among owners who indicate they have experienced no problems, 76 percent indicate they "definitely will" return to the dealer for paid service. This proportion decreases to 42 percent among owners who say they experienced six or more problems.

The 2011 Vehicle Dependability Study is based on responses from more than 43,700 original owners of 2008 model-year vehicles after three years of ownership. The study was fielded between October and December 2010.

Find more detailed findings on vehicle dependability as well as model photos and specs by reading an article and reviewing brand and segment dependability ratings at <u>JDPower.com</u>.

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 <u>car reviews and ratings</u>, <u>car insurance</u>, <u>health insurance</u>, <u>cell phone ratings</u>, and more, please visit <u>JDPower.com</u>. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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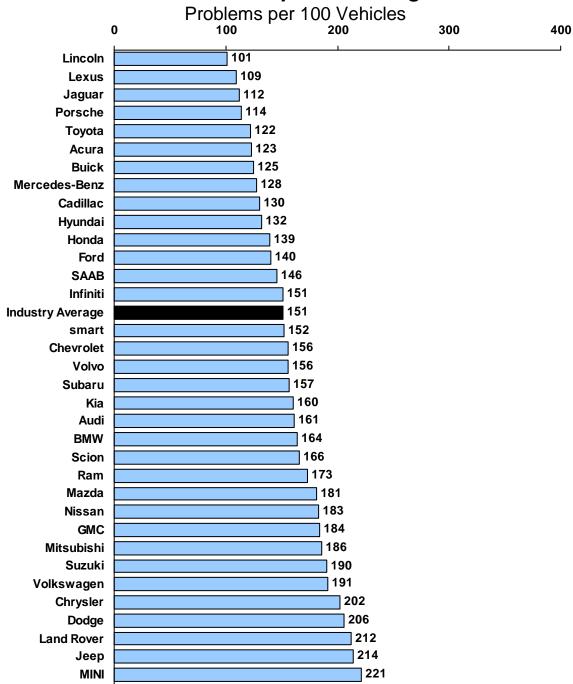
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NOTE: Three charts follow.

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¹ The truck category includes both pickup trucks and vans, while the crossover vehicle category includes crossover vehicles, multi-purpose vehicles and utility vehicles.

J.D. Power and Associates 2011 U.S. Vehicle Dependability Study[™] (VDS)





Source: J.D. Power and Associates 2011 U.S. Vehicle Dependability StudySM

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Top Three Models per Segment Car Segments

Sub-Compact Car

Highest Ranked: Honda Fit

Toyota Yaris Hyundai Accent

Compact Car

Highest Ranked: Toyota Prius

Hyundai Elantra Sedan Toyota Matrix

Compact Sporty Car*

Highest Ranked: Mazda MX-5 Miata

Scion tC

Midsize Sporty Car*

Highest Ranked: Ford Mustang

Midsize Car

Highest Ranked: Ford Fusion

Buick LaCrosse Mitsubishi Galant **Large Car**

Highest Ranked: Buick Lucerne

Ford Taurus Chevrolet Impala

Compact Premium Sporty Car*

Highest Ranked: Mercedes-Benz CLK-Class

Entry Premium Car

Highest Ranked: Lincoln MKZ

Lexus ES 350 Acura TL (tie) Acura TSX (tie)

Midsize Premium Car

Highest Ranked: Acura RL

Mercedes-Benz E-Class Lexus GS

Large Premium Car*

Highest Ranked: Cadillac DTS
Mercedes-Benz S-Class

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

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

NOTE: For a segment award to be issued, there must be at least three models with sufficient sample that comprise 80 percent of market sales within an award segment. There are only two premium sporty models with sufficient sample size, thus no premium sporty awards have been presented.

Source: J.D. Power and Associates 2011 U.S. Vehicle Dependability StudySM

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Top Three Models per Segment Truck/Multi-Purpose Vehicle/Crossover/SUV Segments

Compact Multi-Purpose Vehicle*

Highest Ranked: Scion xB Chrysler PT Cruiser

Compact Crossover/SUV

Highest Ranked: Honda CR-V Subaru Forester Toyota RAV4

Entry Premium Crossover/SUV*

Highest Ranked: BMW X3

Midsize Crossover/SUV

Highest Ranked: Toyota 4Runner
Hyundai Santa Fe
Ford Edge

Large Crossover/SUV

Highest Ranked: Chevrolet Tahoe GMC Yukon Toyota Sequoia Large Pickup

Highest Ranked: Toyota Tundra Ford F-150 LD Ram 1500 LD

Midsize Pickup*

Highest Ranked: Toyota Tacoma Honda Ridgeline

Minivan

Highest Ranked: Toyota Sienna Honda Odyssey Chevrolet Uplander

Midsize Premium Crossover/SUV

Highest Ranked: Lexus RX Lexus GX 470 Volvo XC70

Large Premium Crossover/SUV*

Highest Ranked: Lincoln Navigator Mercedes-Benz GL-Class

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

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

NOTE: For a segment award to be issued, there must be at least three models with sufficient sample that comprise 80 percent of market sales within an award segment. There are only two large van models with sufficient sample size, thus no large van awards have been presented.

Source: J.D. Power and Associates 2011 U.S. Vehicle Dependability StudySM

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