



Press Release

J.D. Power Asia Pacific Reports: New-Vehicle Buyers in India Who Shop Accompanied by Family or Friends Are More Difficult To Satisfy Than Buyers Who Shop Alone

Skoda Ranks Highest in Satisfying Customers with the New-Vehicle Sales Experience in India

SINGAPORE: 31 AUGUST 2011 — Buyers of new vehicles in India rarely shop alone at dealerships—nine in 10 are accompanied by a family member or friend during the purchase experience, according to the J.D. Power Asia Pacific 2011 India Sales Satisfaction Index (SSI) StudySM released today. These buyers are considerably more difficult to satisfy during the sales experience than are unaccompanied buyers.

The study finds that among new-vehicle buyers who shop while accompanied by family members, satisfaction with the sales experience at the dealership averages 823 on a 1,000-point scale. Among buyers who shop accompanied by friends, satisfaction averages 807. In contrast, satisfaction averages 835 among buyers who visit the dealer alone.

The study finds that buyers who bring family members or friends along during the shopping process are particularly difficult to please in the delivery process, salesperson and delivery timing areas. This remains true even though dealerships perform more standard services for accompanied buyers, on average, compared with unaccompanied buyers. Many buyers who bring family members or friends to the dealership are purchasing their first new vehicle. These new-vehicle buyers are more critical of the sales experience than are returning buyers.

“For many new-vehicle buyers in India, family members are trusted advisors throughout the purchase process,” said Mohit Arora, executive director at J.D. Power Asia Pacific, Singapore. “The need for a trusted advisor is heightened when customers are buying their first new vehicle. Dealerships need to create greater engagement for vehicle buyers, as well as their accompanying family members and friends, as they are key influences on not only which model to purchase, but also the buyer’s overall satisfaction with the purchase process.”

The study also finds that new-vehicle buyers who shop while accompanied by family or friends have a greater propensity to shop across brands and dealerships.

Now in its 12th year, the study examines seven factors that contribute to overall satisfaction with the new-vehicle buyer sales experience (listed in order of importance): delivery process, delivery timing, salesperson, sales initiation, dealer facility, paperwork and deal.

Among the 11 brands ranked in the study, Skoda ranks highest with an overall score of 839, performing particularly well in six of the seven factors: salesperson, paperwork, dealer facility, delivery process, delivery timing and sales initiation. Following Skoda in the rankings are Maruti Suzuki (834) and Honda (828). While performing below the industry average, Tata Motors improves more than any other brand from 2010.

Overall sales satisfaction has increased by 19 points from 2010 to an average of 822 in 2011, with nine of the 11 ranked brands demonstrating year-over-year improvements. The industry improves from 2010 in all seven factors, with the largest gains occurring in the area of delivery timing, despite the fact that customer-reported delivery times have increased to an average of eight days in 2011 from five days in 2010.

“Communicating delivery time of the vehicle accurately and promptly is an important element of managing

customer expectations,” said Arora. “Although delivery times have increased for several models in 2011, dealerships were able to more effectively manage customer expectations through more frequent customer contact and improved communication, which helped lead to an improvement in perceptions of delivery timing.”

The study also finds that owners who are highly satisfied with the overall purchase experience tend to have higher levels of advocacy and loyalty toward the dealership and their vehicle brand, compared with less-satisfied owners. Among owners who are highly satisfied with their purchase experience at the dealership (sales satisfaction scores averaging above 886), 88 percent state they “definitely will” recommend their purchase dealer to a friend or relative. These owners are also far more likely to repurchase or recommend the same brand in the future. In contrast, only 44 percent of highly dissatisfied owners (sales satisfaction scores averaging below 764) say they “definitely will” recommend their dealer.

“Manufacturers and dealerships today realize the bottom-line impact of satisfying owners and are investing in driving service excellence in their dealerships,” said Arora. “The improvements in the industry in 2011 demonstrate this impact, with eight nameplates achieving double-digit gains from 2010.”

The 2011 India Sales Satisfaction Index Study is based on responses from 6,840 new vehicle owners who purchased their vehicle between September 2010 and April 2011 and includes evaluations of more than 80 models. The study was fielded from March to July 2011.

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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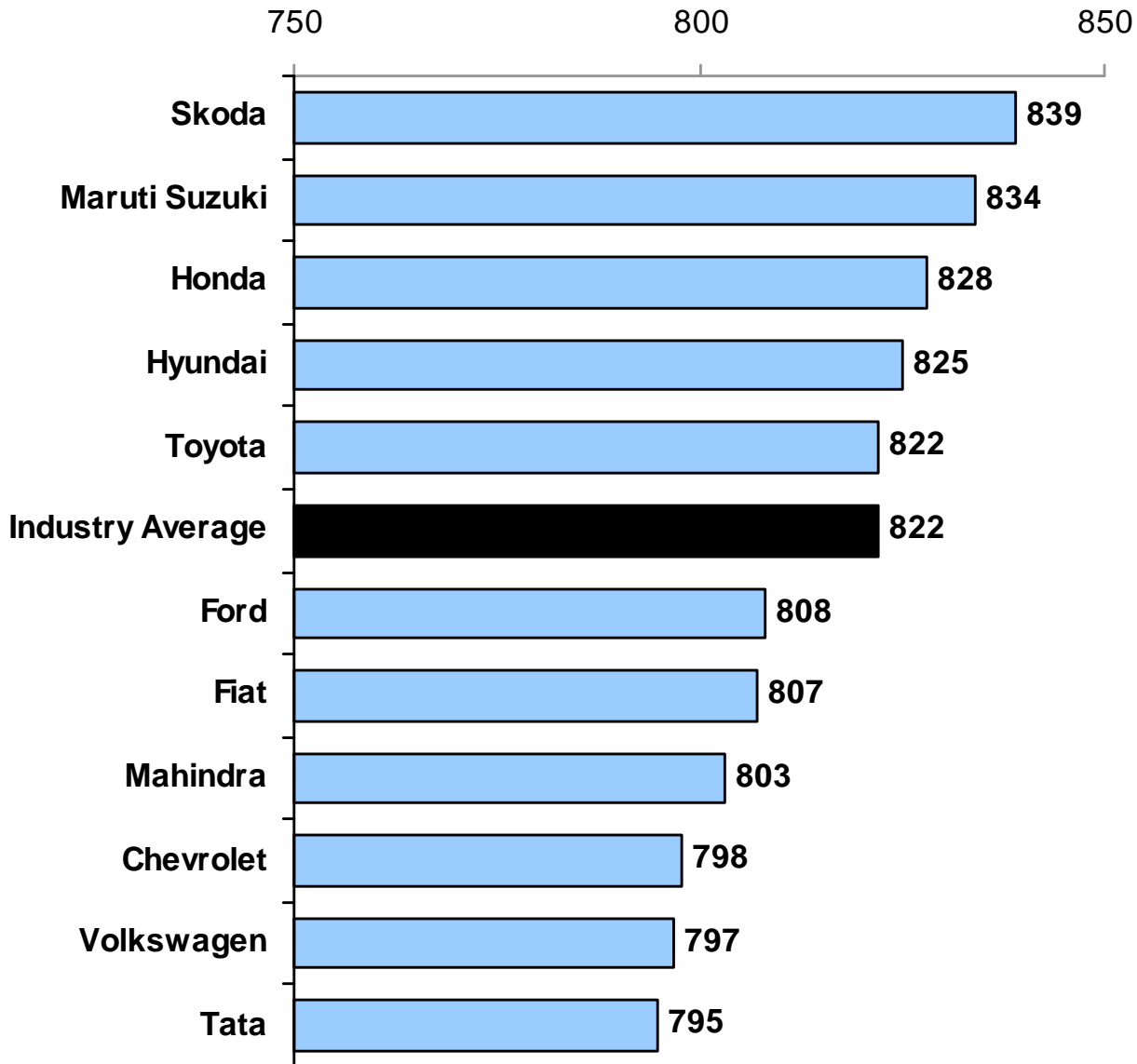
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J.D. Power Asia Pacific 2011 India Sales Satisfaction Index (SSI) StudySM

Sales Satisfaction Index Ranking

Based on 1,000-point scale



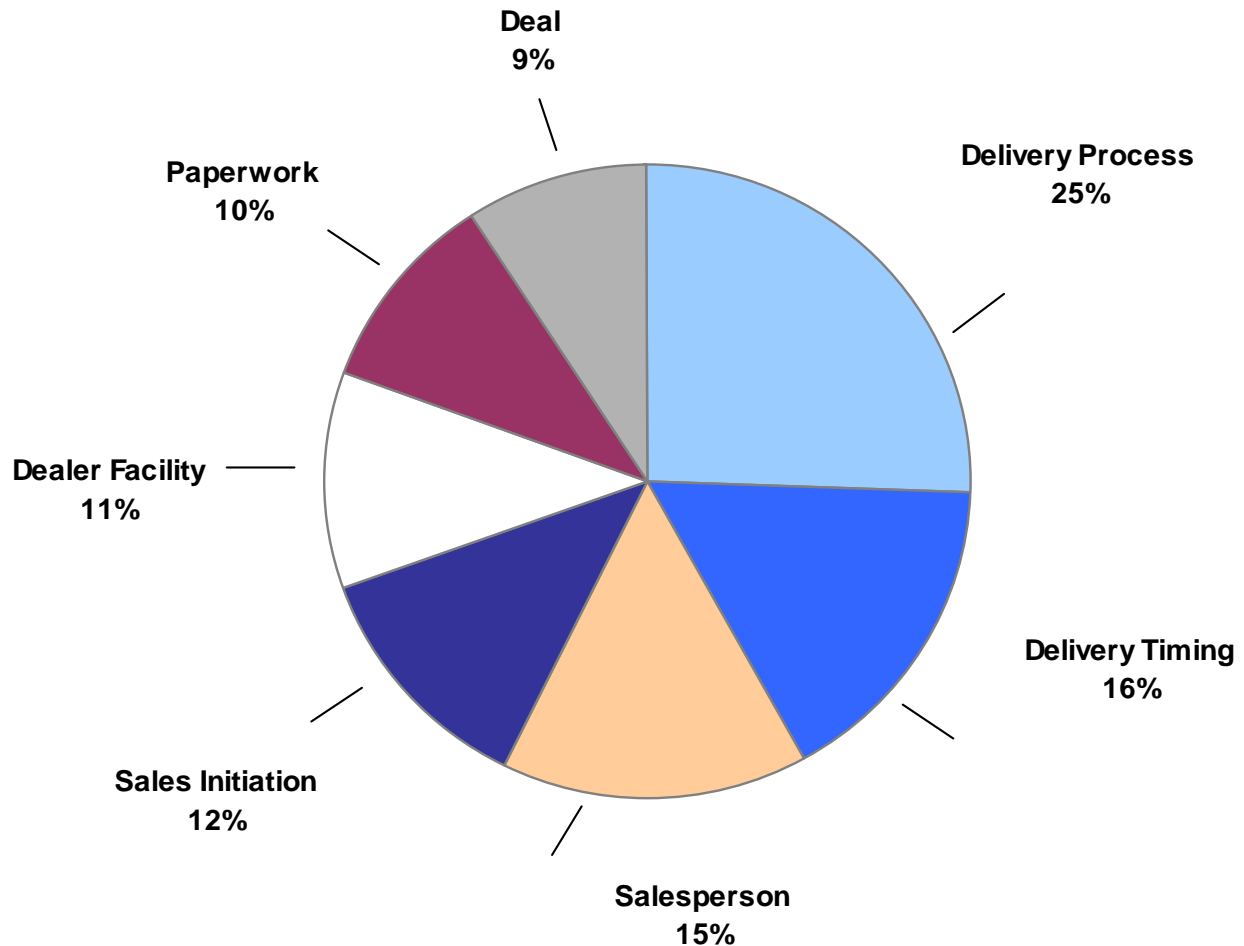
NOTE: Included in the study but not ranked due to small sample size are: Audi, BMW, Mercedes Benz, Nissan and Mahindra-Renault.

Source: J.D. Power Asia Pacific 2011 India Sales Satisfaction Index (SSI) StudySM

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J.D. Power Asia Pacific 2011 India Sales Satisfaction Index (SSI) StudySM

Factors Comprising Overall Satisfaction



NOTE: Percentages may not total 100 due to rounding.

Source: J.D. Power Asia Pacific 2011 India Sales Satisfaction Index (SSI) StudySM

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