

# Press Release

## **J.D. Power Asia Pacific Reports: Price Reductions and Incentives Increase Customer Satisfaction with the New-Vehicle Deal**

### Lexus Ranks Highest in Sales Satisfaction in Taiwan for Sixth Consecutive Year

**SINGAPORE: 31 July 2013** — The proportion of new-vehicle buyers who receive discounts, free accessories and a free extended warranty when they purchase their vehicle has increased from 2012, according to the J.D. Power Asia Pacific 2013 Taiwan Sales Satisfaction Index (SSI) Study<sup>SM</sup> released today.

Now in its 15th year, the study examines seven factors that contribute to overall customer satisfaction with the new-vehicle purchase and delivery experience (in order of importance): delivery process; salesperson; delivery timing; sales initiation; deal; paperwork; and dealer facility. SSI performance is reported as an index score based on a 1,000-point scale, in which a higher overall SSI score indicates greater satisfaction with the new-vehicle sales and delivery process. Overall sales satisfaction averages 890 points in 2013, unchanged from 2012.

The 2013 study finds that 85 percent of new-vehicle buyers in Taiwan receive a discount on their vehicle's purchase price. Further, the proportion of buyers who receive free accessories and a free extended warranty from their selling dealer has increased to 38 percent in 2013 from 32 percent in 2012. At the factor level, satisfaction with the deal has increased the most (+12 points) from 2012.

"Sales of new vehicles registered a decline during the first half of the year, driven by uncertain economic climate and customers deferring their purchase decision in the expectation of price cuts and government incentives," said Rajeev Nair, director at J.D. Power Asia Pacific, Singapore. "To attract and convince new-vehicle buyers to make a purchase decision, dealers and brands are offering price discounts and incentives, such as free accessories and extended warranties."

The study finds that a thorough vehicle delivery handover may positively impact satisfaction with the overall purchase experience. Overall satisfaction among new-vehicle buyers who indicate the salesperson spent more than 90 minutes with them during the vehicle delivery process is 901, which is 11 points higher than industry average. Satisfaction among buyers who indicate the salesperson spent less than 30 minutes with them during the delivery process is 867, which is 23 points lower than industry average.

"Customers look forward to receiving delivery of their new vehicle," said Nair. "The salesperson should allow enough time during the vehicle handover to answer customer questions, explain the warranty and service requirements and introduce them to the service department personnel. The vehicle delivery process allows the salesperson to convey to customers that the dealership values their relationship with them and that their purchase is not just an impersonal transactional interaction."

The study finds a close correlation between satisfaction with the new-vehicle purchase and delivery experience and customers' future loyalty and advocacy intentions toward their dealer and brand. Among highly satisfied customers (SSI scores of 958 or higher), 62 percent say they "definitely will" recommend

their purchase dealer to friends and relatives. This declines to only 23 percent among highly dissatisfied customers (SSI scores of 838 or lower). A similar trend holds true for customer recommendation intentions for the vehicle brand they purchased.

“Word of mouth recommendations may strongly support dealerships in attracting more new-vehicle shoppers to their showrooms,” said Nair. “The study finds that the opinions of friends and relatives emerge as the most commonly sought-after source of information for 78 percent of shoppers in deciding which make and model to buy.”

Among the 12 brands ranked in the 2013 study, Lexus ranks highest in satisfaction for a sixth consecutive year, with an SSI score of 914, up 4 points from 2012. Lexus performs particularly well in sales initiation, dealer facility, paperwork and delivery process. Mercedes-Benz ranks second with a score of 908, with particularly strong performances in the deal and salesperson factors. BMW ranks third with a score of 906.

The 2013 Taiwan SSI Study is based on responses from 2,420 new-vehicle owners who purchased their vehicle between July 2012 and February 2013. The study was fielded from January through April 2013 and measures new-vehicle owner satisfaction with the sales and delivery experience from authorized dealers in Taiwan.

#### **About J.D. Power**

J.D. Power is a global marketing information services company providing 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. Headquartered in Westlake Village, Calif., J.D. Power has offices in North America, Europe and Asia Pacific. For more information on [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more, please visit [JDPower.com](http://JDPower.com). J.D. Power is a business unit of McGraw Hill Financial.

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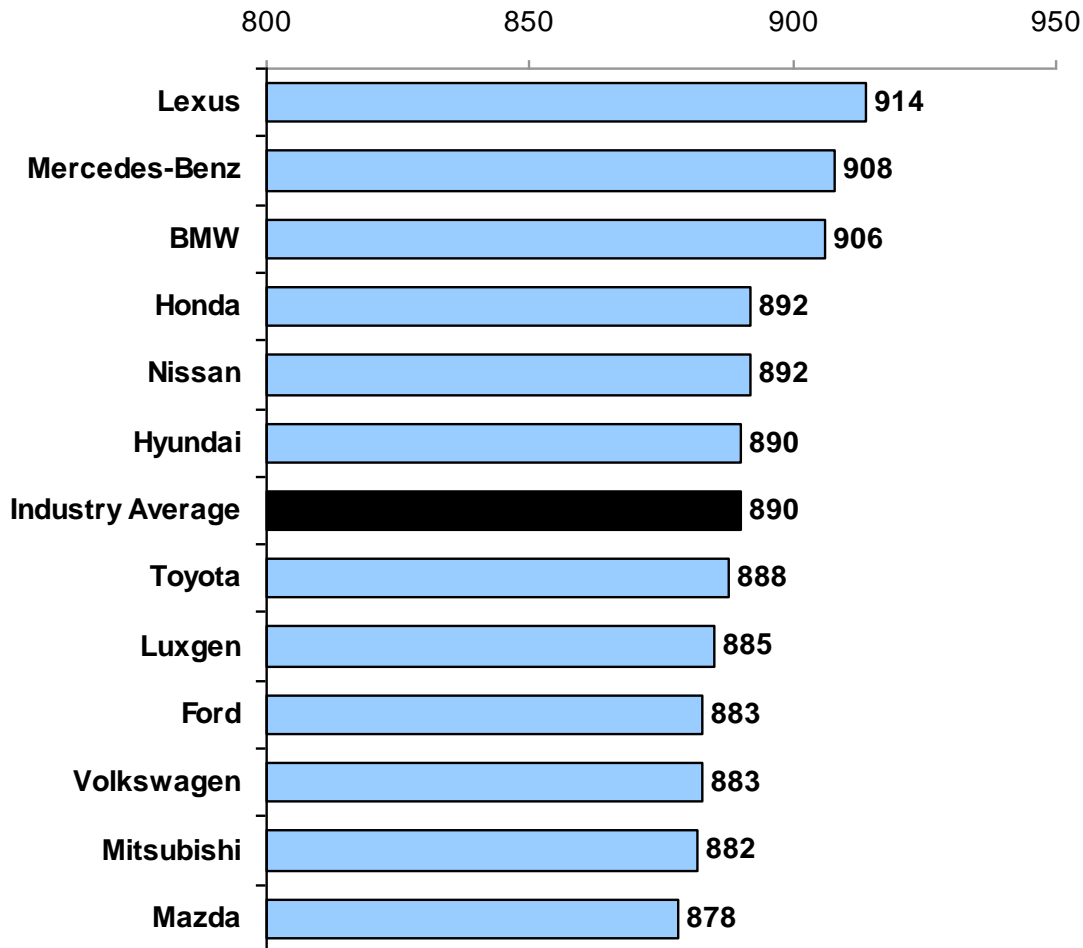
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NOTE: Two chart follow

# J.D. Power Asia Pacific 2013 Taiwan Sales Satisfaction Index (SSI) Study<sup>SM</sup>

## Customer Satisfaction Index Ranking

Based on 1,000-point scale



Note: Included in the study but not ranked due to small sample size are Audi, Suzuki and Volvo.

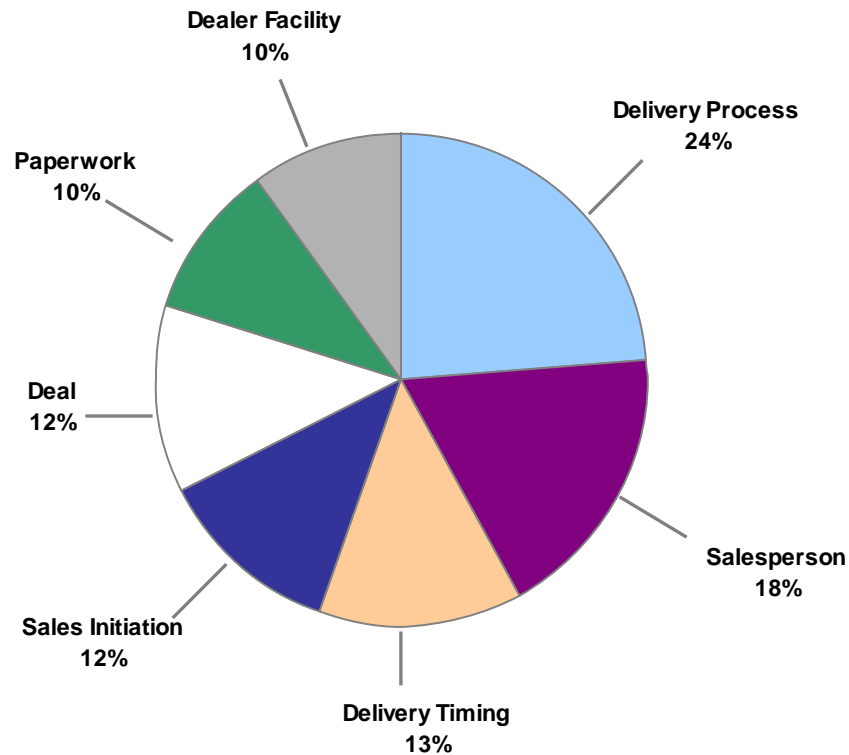
Source: J.D. Power Asia Pacific 2013 Taiwan Sales Satisfaction Index (SSI) Study<sup>SM</sup>

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## J.D. Power Asia Pacific 2013 Taiwan Sales Satisfaction Index (SSI) Study<sup>SM</sup>

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### *Factors Comprising Overall Satisfaction*



*NOTE: Percentages may not total 100 due to rounding.*

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*Source: J.D. Power Asia Pacific 2013 Taiwan Sales Satisfaction Index (SSI) Study<sup>SM</sup>*

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