



Press Release

J.D. Power Asia Pacific Reports: Domestic Brands in China Narrow the Gap with International Brands in Overall New-Vehicle Appeal

Models from Shanghai General Motors lead in four segments;
Audi Ranks Highest in Vehicle Appeal at Make Level

SHANGHAI: 30 November 2012 — Chinese domestic brands have substantially narrowed the gap with international brands in overall vehicle appeal, according to the J.D. Power Asia Pacific 2012 China Automotive Performance, Execution and Layout (APEAL) StudySM released today.

Now in its 10th year, the China APEAL Study examines how gratifying a new vehicle is to own and drive, based on owner evaluations during the first two to six months of ownership. The study examines 82 attributes across 10 vehicle performance categories: vehicle exterior; vehicle interior; storage and space; audio/ entertainment/ navigation; seats; HVAC; driving dynamics; engine/ transmission; visibility and driving safety; and fuel economy.

Domestic brands achieve an average APEAL score of 781 points, an historic high for brands of Chinese automakers. Domestic brands have made significant improvements in the audio/ entertainment/ navigation and seats categories, each increasing by 11 points from 2011. There are also improvements in the driving dynamics and engine/ transmission categories, with each increasing by seven points from 2011. The APEAL score for international brands drops to 839 points in 2012 from 847 in 2011, due to declining satisfaction in the vehicle exterior and storage and space categories.

The China automotive industry achieves an overall APEAL score of 822 points (on a 1,000-point scale) in 2012, a 3-point decline compared with 2011.

“The significant price decline that the industry has experienced during the past year is causing a negative impact on owner satisfaction with their vehicle,” said Dr. Mei Songlin, vice president and managing director of J.D. Power China operations. “Of 12 segments examined, seven experienced a continuous decline in median vehicle price within the nine-month study period. If an owner sees the price of their newly purchased vehicle depreciating dramatically over the months after the purchase, their appreciation of the vehicle’s appeal will be negatively affected.”

The 2012 China APEAL Study finds that satisfaction with the interior and exterior of newly launched models has declined year over year. The study also shows that satisfaction with all new models is lower than satisfaction with redesigned models, which were generally tailored to meet the preferences of consumers in China.

“A new model will do much better in appealing to consumers in China if local consumer preferences are considered in the design stage, before it is launched to the market,” said Dr. Mei. “Although global platforms are effective, we may be reaching the point where vehicles must be designed to better adapt to the Chinese buyers’ preferences.”

Collectively, Korean brands achieve the highest average APEAL score by country of origin for a second consecutive year, with an index score of 851 points, which is a 9-point decline from 2011. Korean brands outperform the industry average in eight of the 10 vehicle performance categories, particularly in storage and space, in which Korean brands score 35 points higher than the industry average. European brands collectively average 846 points, followed by U.S. (837) and Japanese (829) brands.

Luxury brands achieve the four highest-rank positions among the 67 brands examined in the study. Audi ranks highest with a score of 884, followed by BMW (870), Lexus (864) and Mercedes-Benz (859).

Among the 12 segments included in the 2012 study, 10 segments are award-eligible. Models from Shanghai General Motors receive awards in four segments. SGM-Chevrolet earns two awards: the Sail in the premium compact segment and the Epica in the lower premium midsize segment. Buick earns two awards: the Excelle XT/GT in the midsize segment and GL8 in the MPV segment. Models from Beijing Hyundai earn two awards: the Sonata in the upper premium midsize segment and the ix35 in the SUV segment. Another Korean make Dongfeng Yuedai Kia (Kia K2) earns the award in the entry midsize segment. Domestic models Chery QQ3 and Wuling Sunshine rank highest in the compact and mini van segments, respectively. The Audi model A6L ranks highest in the luxury segment.

The highest-ranked models by segment in 2012 are:

- Compact segment: Chery QQ3
- Premium compact segment: Chevrolet Sail
- Entry midsize segment: Kia K2
- Midsize segment: Buick Excelle XT/GT
- Lower premium midsize segment: Chevrolet Epica
- Upper premium midsize segment: Hyundai Sonata
- Luxury segment: Audi A6L
- SUV segment: Hyundai ix35
- MPV segment: Buick GL8
- Mini van segment: Wuling Sunshine

The APEAL Study finds that new-vehicle performance has a strong impact on consumer loyalty and advocacy. The more satisfied owners are with the performance of their vehicle, the more likely they are to recommend it to others and repurchase from the same brand in the future. Net recommendation and repurchase rates average 38 percent and 19 percent, respectively, for models with the highest levels of satisfaction (APEAL scores averaging 837 or higher). However, net recommendation and repurchase rates drop to 18 percent and 3 percent, respectively, for models with the lowest levels of satisfaction (APEAL scores averaging 790 or lower).

“Key areas of focus for automakers in the Chinese market are seats and vehicle interior,” said Tony Zhou, automotive research director of J.D. Power China operations. “In particular, improving seats may help the industry go a long way in achieving higher customer satisfaction. The 2012 study finds that seats account for four of the top 10 attributes with the lowest customer satisfaction.”

The 2012 China Automotive Performance, Execution and Layout (APEAL) Study is based on evaluations from 20,270 owners who purchased a new passenger vehicle between October 2011 and June 2012. The study examines 12 vehicle segments, which include 217 passenger vehicle models and 67 brands. The study was fielded from April to August 2012 in 43 major cities across China.

J.D. Power and Associates’ benchmark studies evaluate products and services based on customer feedback on their experiences to help businesses make informed decisions about product and service improvements. The research is conducted through an entirely independent process that is funded by J.D. Power, which is key to the company’s independence and unbiased position. Typically, studies are derived from a random national sample of customers who use products and services across a number of industries. Study results are based solely on the opinions of customers. The opinion of J.D. Power is not included in the study results.

The China Automotive Performance, Execution and Layout (APEAL) Study is one of the customer-based benchmark studies conducted by J.D. Power Asia Pacific in China. Other 2012 studies conducted by J.D. Power Asia Pacific include:

- ◆ The China New-Vehicle Intender Study (NVIS), which examines pre-purchase perceptions and considerations, was released in June.
- ◆ The China Customer Service Index (CSI) Study, which examines satisfaction with the after-sales service experience among vehicle owners between 12 and 24 months of ownership, was released in July.
- ◆ The China Sales Satisfaction Index (SSI) Study, which measures satisfaction with the new-vehicle sales process, was released in August.

- ◆ The China Initial Quality Study (IQS), which measures problems experienced by new-vehicle owners during the first two to six months of ownership, was released in October.
- ◆ The China Original Equipment Tire Satisfaction Index Study (OE-TSI), which measures satisfaction among original equipment tire owners during the first 12 to 24 months of ownership, was released in November.
- ◆ The China Vehicle Dependability Study (VDS), which evaluates overall vehicle dependability during the first 25-36 months of ownership, will be published in mid-December.

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 consulting services in the automotive, information technology and finance industries. Together, the five offices bring the language of customer satisfaction to consumers and businesses in China, Australia, 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: ellen_wang@jdpa.com.

About J.D. Power and Associates

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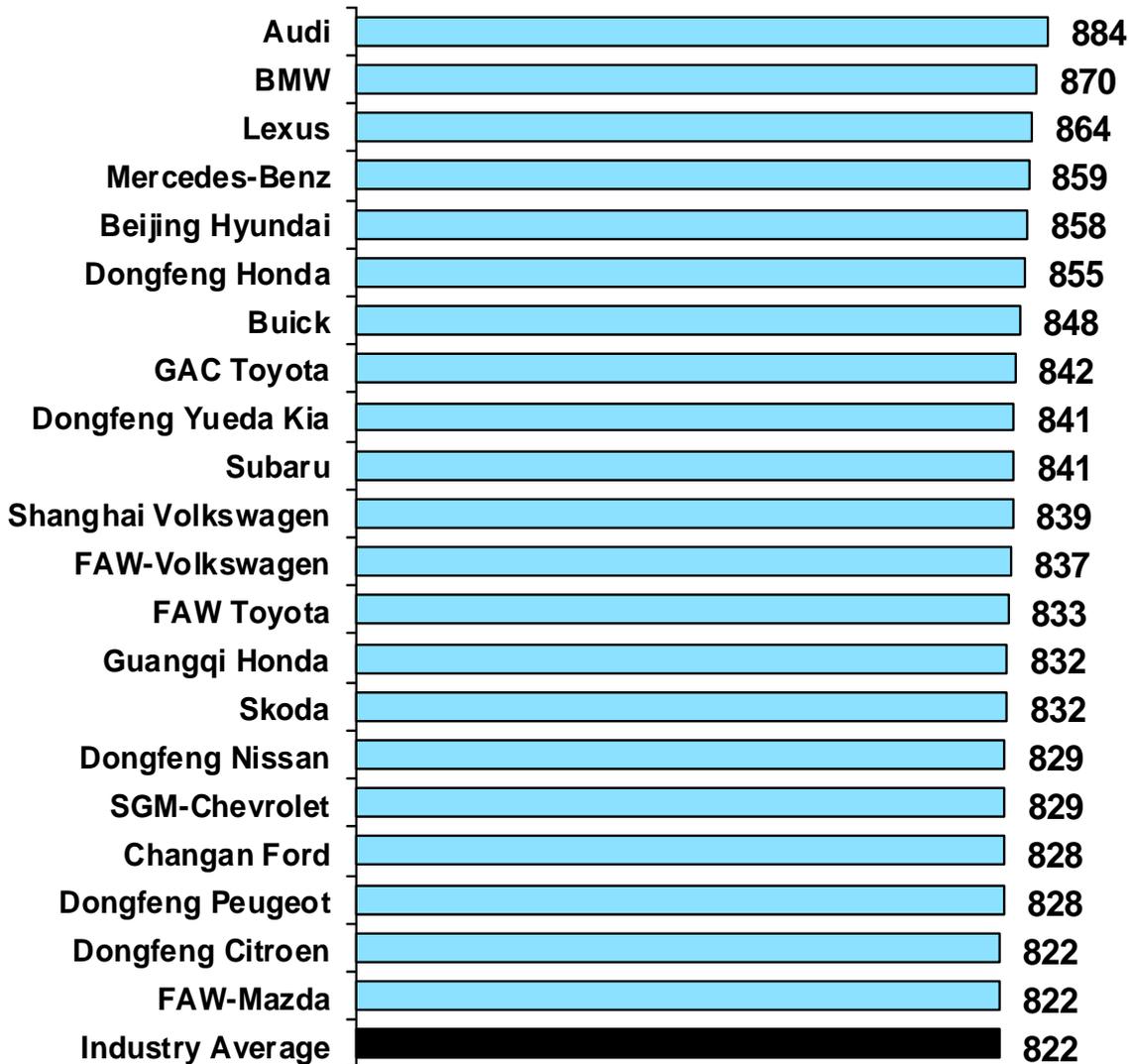
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NOTE: Two charts follow.

J.D. Power Asia Pacific 2012 China Automotive Performance, Execution and Layout (APEAL) StudySM

2012 Make Level APEAL Ranking

(Based on a 1,000-point scale)



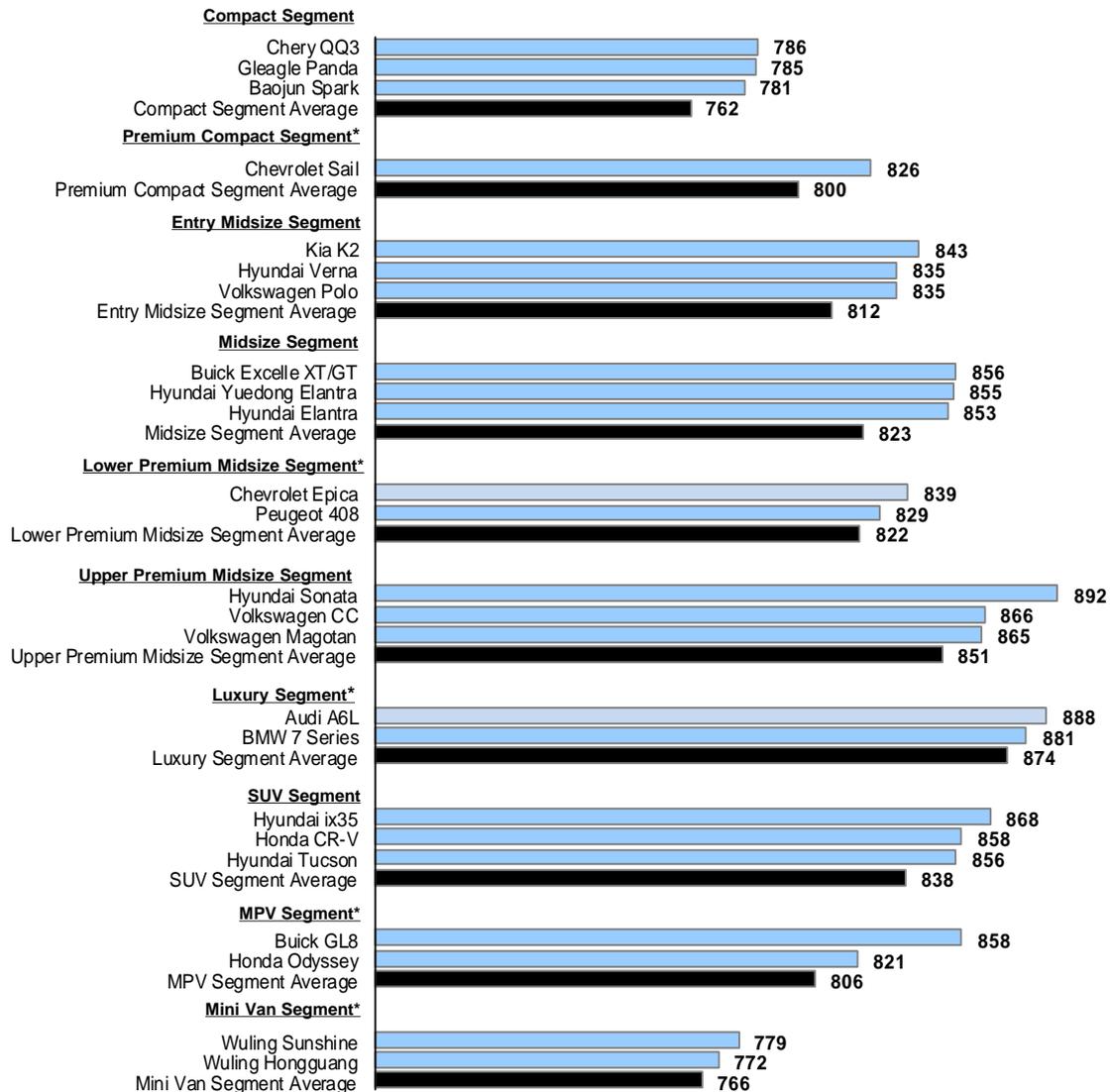
Note: This chart lists only the makes achieving the industry average and above.

Source: J.D. Power Asia Pacific 2012 China Automotive Performance, Execution and Layout (APEAL) StudySM

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Top Three Vehicles per Segment in APEAL (Segment average and above)



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 and at least one model that performs above segment average within an award segment. There were only two models with sufficient sample size in the entry luxury segment; and there was no model with sufficient sample size in the luxury SUV segment. Therefore, no entry luxury and luxury SUV awards have been presented.
*No other model in this segment performs above the segment average.

Source: J.D. Power Asia Pacific 2012 China Automotive Performance, Execution and Layout (APEAL) StudySM

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