



Press Release

J.D. Power Asia Pacific Reports: Customer Satisfaction with the New-Vehicle Sales and Delivery Process in the Philippines Improves for a Second Consecutive Year

Honda Ranks Highest in New-Vehicle Sales Satisfaction in the Philippines

SINGAPORE: 31 August 2012 — As domestic sales of new passenger vehicles in the Philippines continues to grow—with an approximate 8 percent increase year over year to 70,844 units sold as of June 2012—customer satisfaction with the new-vehicle sales and delivery process has improved for a second consecutive year, according to the J.D. Power Asia Pacific 2012 Philippines Sales Satisfaction Index (SSI) StudySM released today.

Customer satisfaction has increased from 2011 across all factors, with the largest improvements in delivery timing (+33 index points) and salesperson (+27 index points). In addition, overall satisfaction for all 10 brands included in the study has increased by double digits in 2012.

“As the market recovers from supply issues caused by the floods in Thailand in 2011, dealers in the Philippines are putting more efforts on customer satisfaction and in meeting customer needs,” said Mohit Arora, executive director at J.D. Power Asia Pacific, Singapore. “This has resulted in a larger proportion of customers who are more highly satisfied with the overall purchase experience.”

Now in its 12th year, the study examines seven factors that contribute to overall customer satisfaction with the purchase experience. In order of importance, they are: delivery process; delivery timing; salesperson; paperwork; deal; sales initiation; and dealer facility. SSI performance is reported as an index score based on a 1,000 point scale, and a higher overall score indicates greater satisfaction with the new-vehicle sales and delivery process. Overall sales satisfaction averages 855 in 2012—an improvement of 26 points from 2011.

Honda ranks highest in new-vehicle sales satisfaction with a score of 862 and performs particularly well in the paperwork, salesperson and delivery timing factors. Closely following Honda in rankings are Hyundai (861), Kia (860) and Ford and Toyota in a tie (857 each). Hyundai performs particularly well in the deal factor, while Kia performs particularly well in sales initiation and delivery process and Ford performs well in dealer facility.

The study finds that salespersons’ greater focus on customers has improved. The proportion of customers whose salesperson asked about their vehicle usage and needs has increased to 94 percent in 2012 from 89 percent in 2011. Likewise, the time taken to close the deal has shown improvement from 2011.

“Customers are increasingly expecting a shorter time frame to close the deal,” said Arora. “As the deal and paperwork factors represents nearly one-fourth of the overall satisfaction score, dealers must continue to focus on this aspect of the customer experience or risk losing business to their competition.”

The proportion of customers who financed their vehicle purchase through a loan significantly increased following the Philippines credit boom in 2012, in which auto loans rose at approximately 17 percent year over year, and represented around P145 billion as of the end of March 2012. In the 2012 study, 71 percent of customers indicate they purchased their vehicle with a loan, up from 52 percent in 2011.

The study finds that high levels of satisfaction translate into higher levels of repurchase intent and brand loyalty. Among customers who say they are “delighted” with the sales process for their new vehicle (providing a rating of 10 on a 10-point scale), 44 percent say they “definitely would” repurchase the same

make, compared with 11 percent of customers who are “disappointed” with the sales process (ratings of five points or lower) say the same.

“The challenge for dealers is to focus on long-term satisfaction and loyalty, as 67 percent of new-vehicle owners in 2012 are first-time buyers in the Philippines,” said Arora. “Dealers and manufacturers must find ways to consistently maintain and improve the customer experience, as showroom traffic—and thus competition to conquest new customers—is increasing.”

The 2012 Philippines SSI Study is based on responses from 1,505 new-vehicle owners who purchased their vehicle between August 2011 and April 2012. The study was fielded from February to June 2012.

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 email contact: xingtliu@jdpower.com.sg.

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

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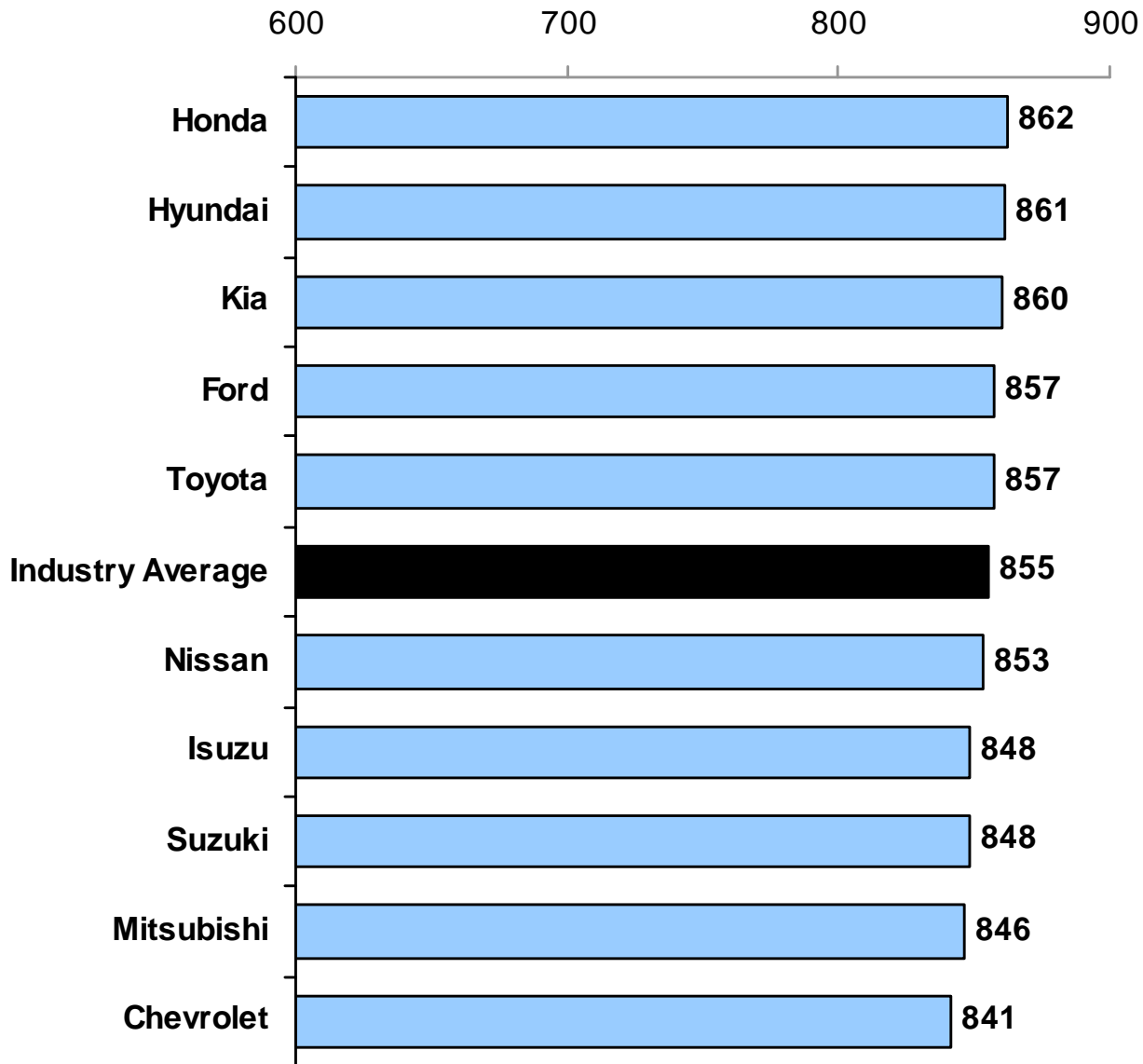
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NOTE: Two charts follow.

J.D. Power Asia Pacific 2012 Philippines Sales Satisfaction Index (SSI) StudySM

Sales Satisfaction Index Ranking

Based on a 1,000-point scale



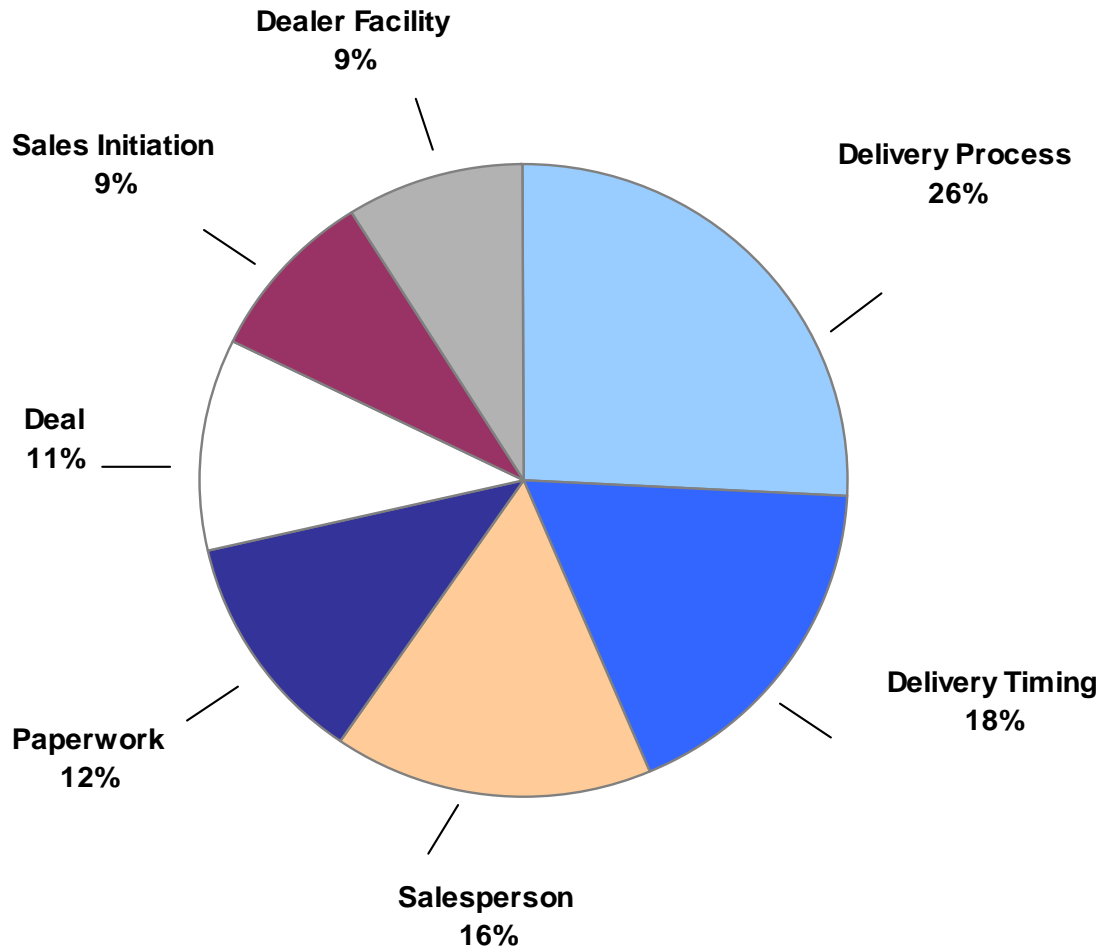
Note: Mazda is included in the study, but is not ranked due to small sample size.

Source: J.D. Power Asia Pacific 2012 Philippines Sales Satisfaction Index (SSI) StudySM

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J.D. Power Asia Pacific 2012 Philippines Sales Satisfaction Index (SSI) StudySM

Factors Comprising Overall Satisfaction



NOTE: Percentages may not total 100 due to rounding.

Source: J.D. Power Asia Pacific 2012 Philippines Sales Satisfaction Index (SSI) StudySM

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