



Press Release

J.D. Power Asia Pacific Reports:

Aftermarket Navigation System Manufacturers Face Challenging Market Conditions in Japan as Competition from Factory-Installed Systems Increase and Prices of In-Dash Systems Decline

Alpine Big X Ranks Highest in Customer Satisfaction in the In-Dash Aftermarket Navigation Systems Segment, and Panasonic Gorilla Ranks Highest in the Portable Navigation Device Segment

TOKYO: 25 October 2012 — Aftermarket navigation system manufacturers are facing unprecedented adverse market conditions as the installation rate of factory-installed navigation systems on new vehicles continues to increase, demand for portable navigation systems declines and prices of in-dash aftermarket navigation systems fall, according to the J.D. Power Asia Pacific 2012 Japan Navigation Systems Customer Satisfaction Index Study.SM

Now in its sixth year, the study measures customer satisfaction with in-dash vehicle navigation systems as well as portable navigation devices (PND). The study also measures customer satisfaction with aftermarket brand navigation systems as in-vehicle information systems, including music and video player functions and telematics services, as well as search and guidance functions. In the in-dash systems segment, four factors are examined (listed in order of importance): car life support¹ (39%); driving support² (35%); cost (16%); and service support³ (10%). In the PND segment, four factors are examined (listed in order of importance): driving support (45%); car life support (26%); cost (23%); and service support (6%). Overall satisfaction scores are calculated based on customer evaluations of multiple subcategories of each of these factors and are based on a 1,000-point scale.

The study finds that as OEM navigation systems continue to become more prevalent in new vehicles demand for aftermarket systems has fallen. In 2012, fewer than one in five (17%) new vehicle purchasers had installed an aftermarket navigation system, down from 27 percent in 2011. Furthermore, the proportion of PNDs among aftermarket navigation systems has decreased to approximately 60 percent of 2010 levels.

Pricing for aftermarket systems has become a challenge in the industry as well. Approximately one-half of in-dash systems are the lower-priced memory systems, where market prices continue to fall, as compared with higher-priced hard-disk drive systems that can store more data but are also generally more expensive.

The study also finds that customer satisfaction scores for in-dash hard disk drive navigation systems,

¹ Includes music and video replay functions; support for prevention of emergencies such as theft and breakdowns; and linkage with PCs or mobile phones.

² Includes basic vehicle navigation system functions such as destination search, route guidance and map information.

³ Includes vehicle navigation system manual, manufacturer website or information obtained from the place of purchase.

in-dash memory navigation systems, and PND alike have decreased from 2011. Intended loyalty rates are decreasing as well, most notably for in-dash memory navigation systems and PND.

“In an adverse market environment for aftermarket navigation systems, it is becoming increasingly difficult for products that can’t be differentiated from competing brands and OEM navigation systems to survive,” said Taku Kimoto, executive director of the automotive division at J.D. Power Asia Pacific. “However, distinctive navigation systems equipped with a full range of specific functions and navigation systems with advanced offerings that can’t be easily imitated in OEM navigation systems are experiencing success. For example, purchasers of high-priced navigation systems indicate strong interest in natural language voice recognition, and this is a function likely to attract attention.”

Alpine Big X is the first product in the Alpine brand to rank highest in the in-dash segment, achieving a score of 596 points. Big X performs particularly well in service support and driving support. Alpine Big X receives particularly high ratings from customers for its large screen size, mainly among minivan owners with small children. Alpine Big X also has a high rate of owners who purchase the navigation system together with a rear-seat entertainment system or external camera. Intended loyalty rates for the brand are also high.

Pioneer Cyber Navi (594) ranks second and performs particularly well in car life support. Pioneer Cyber Navi experiences high rates of usage of navigation functions, such as destination search and route guidance and the music replay function. It performs particularly well among users in the 20-to-29 and 30-to-39 age groups.

Panasonic Gorilla ranks highest in the PND segment, achieving a score of 562 points. Gorilla performs particularly well in service support, driving support and car life support. Pioneer Air Navi (549) ranks second, and Sony nav-u (543) ranks third.

The 2012 Japan Navigation Systems Customer Satisfaction Study is based on responses from 2,513 owners of in-dash navigation systems and 1,000 owners of PND who purchased their system between April 2010 and March 2012. The Internet-based survey for this study was fielded in July 2012.

The Japan Navigation Systems Customer Satisfaction Index Study is one of eight consumer-based benchmark studies conducted by J.D. Power Asia Pacific in Japan. Other 2012 studies conducted by J.D. Power Asia Pacific are as follows:

- The Japan Winter Tire Customer Satisfaction Index Study was released in May 2012.
- The Japan Sales Satisfaction Index (SSI) Study, which measures satisfaction with the new-vehicle sales process, was released in August 2012.
- The Japan Initial Quality Study (IQS), which measures problems experienced by new-vehicle owners during the first two to nine months of ownership, was released in August 2012.
- The Japan Customer Satisfaction Index (CSI) Study, which measures overall customer satisfaction with service performed at automotive dealer facilities, was released in September 2012.
- The Japan Automotive Performance, Execution and Layout (APEAL) Study, which measures what excites and delights owners about their new vehicle’s performance and design during the first two to nine months of ownership, was released in September 2012.
- The Japan Original Equipment Tire Satisfaction Index Study, which measures customer satisfaction with original equipment tires equipped on new vehicles, was released in October 2012.

- The Japan Replacement Tire Satisfaction Study will be released in November 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 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, India, Indonesia, Japan, Malaysia, Philippines, Taiwan and Thailand. Information regarding J.D. Power Asia Pacific and its products can be accessed through the Internet at www.jdpower.com. Media e-mail contact: shizue_hidaka@jdpower.co.jp

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates 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. 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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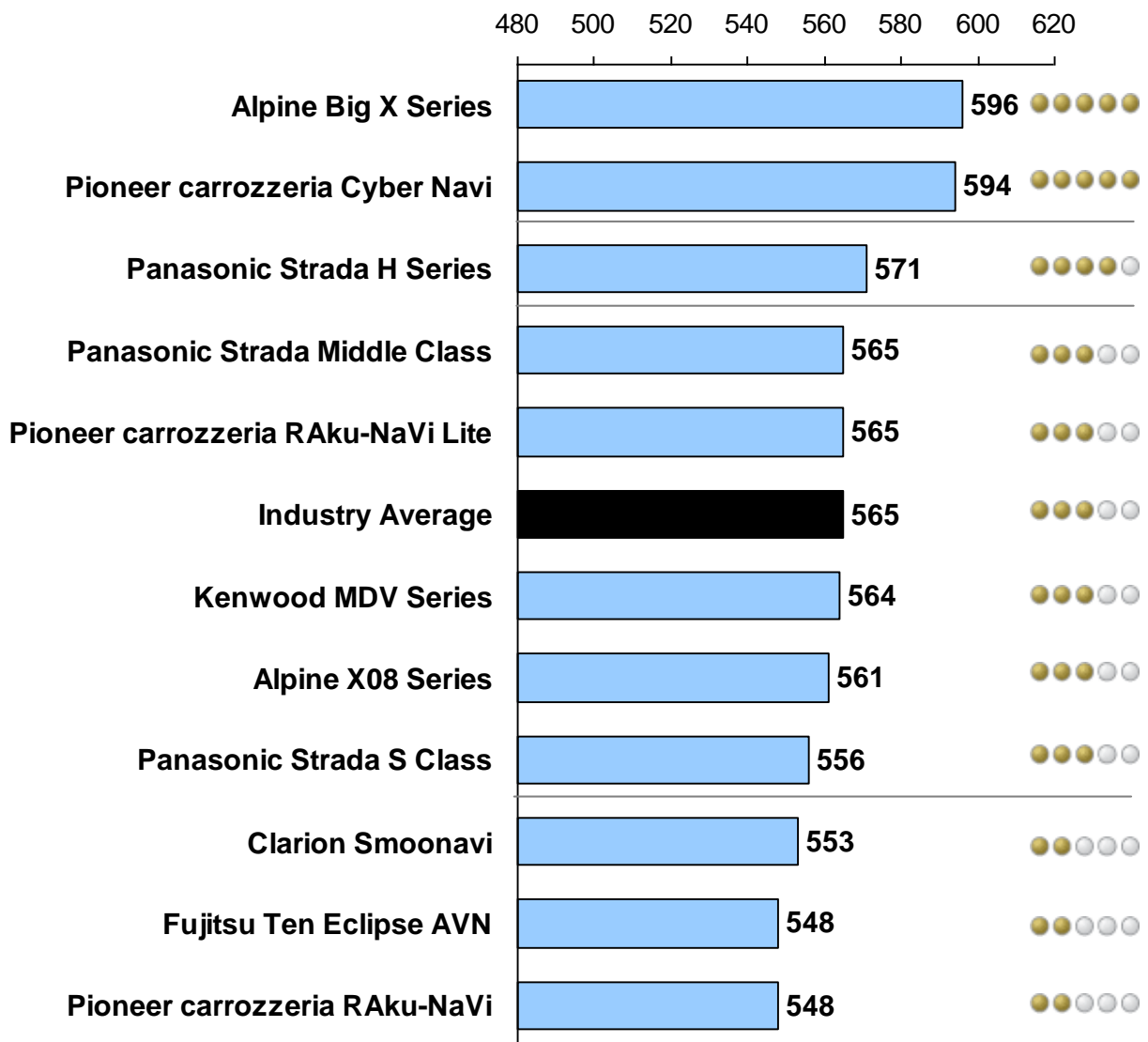
NOTE: Two charts follow

J.D. Power Asia Pacific 2012 Japan Navigation Systems Customer Satisfaction Index StudySM

Overall Satisfaction with Aftermarket In-Dash Navigation Systems

(Based on a 1,000-point scale)

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Power Circle RatingsTM
for consumers:



Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Source: J.D. Power Asia Pacific 2012 Japan Navigation Systems Customer Satisfaction Index StudySM

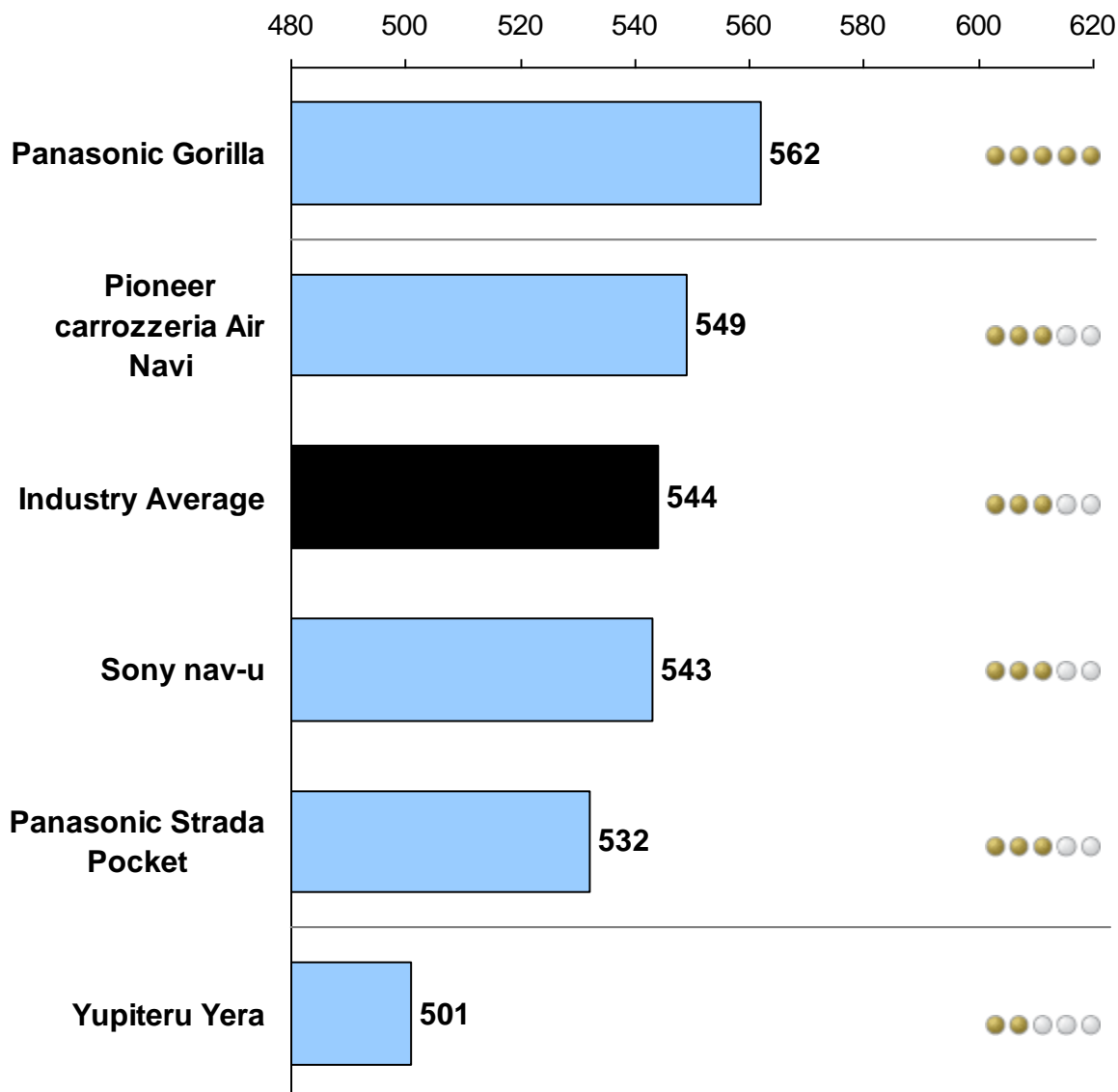
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Overall Satisfaction with Portable Navigation Devices (PND)

(Based on a 1,000-point scale)

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Power Circle Ratings Legend

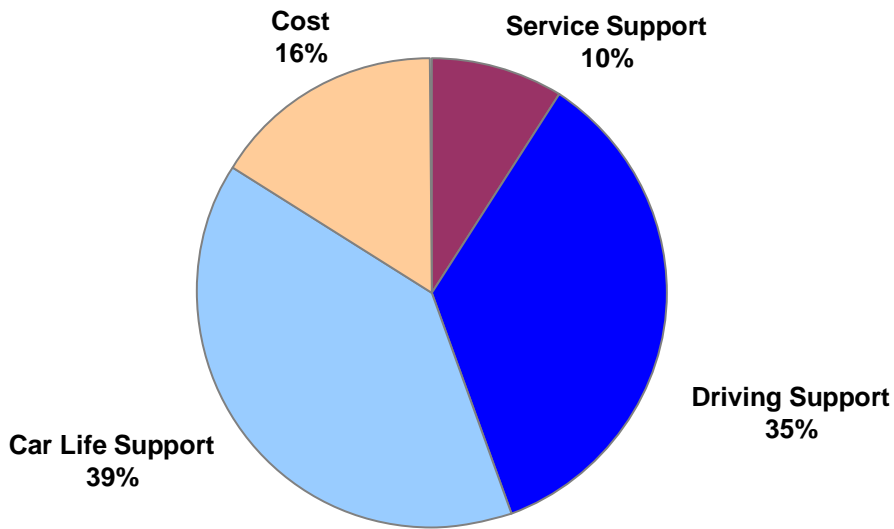
- Among the best
- Better than most
- About average
- The rest

Source: J.D. Power Asia Pacific 2012 Japan Navigation Systems Customer Satisfaction Index StudySM

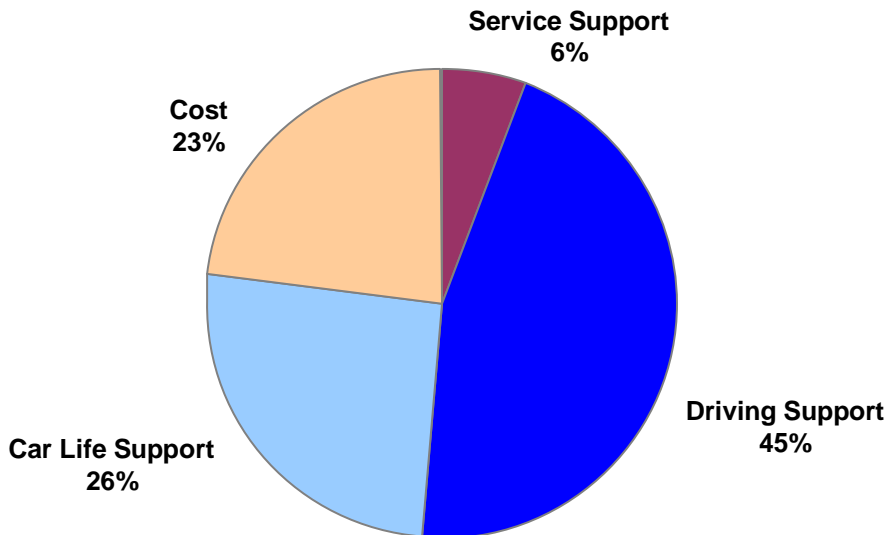
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J.D. Power Asia Pacific 2012 Japan Navigation Systems Customer Satisfaction Index StudySM

Factors Contributing to Overall Satisfaction **Aftermarket In-Dash Navigation Systems**



Portable Navigation Devices (PND)



Source: J.D. Power Asia Pacific 2012 Japan Navigation Systems Customer Satisfaction Index StudySM

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