



Press Release

J.D. Power Asia Pacific Reports: After Sales Satisfaction with Dealership Service Centers in Taiwan Hits a Three-Year Low

Lexus Ranks Highest in Customer Satisfaction with Authorized Dealer After-Sales Service for 14th Consecutive Year

SINGAPORE: 19 September 2012 — Strong growth in new-vehicle sales volumes in Taiwan has contributed to an increased strain on dealership service centers, driving a 9-point decline in after sales satisfaction, according to the J.D. Power Asia Pacific 2012 Taiwan Customer Service Index (CSI) StudySM released today.

The Taiwan Customer Service Index (CSI) Study, now in its 15th year, measures satisfaction among vehicle owners who visited their authorized dealership service center for maintenance or repair work during the first 12 to 24 months of ownership. The study measures overall satisfaction with the service experience by examining five factors (listed in order of importance): service quality, service initiation, vehicle pick-up, service advisor and service facility.

Overall customer satisfaction with authorized dealer service declined to 848 points on a 1,000-point scale. This represents a 9-point decline from 2011, the industry's greatest decline over the past three years. Satisfaction across the five measures examined has also all decreased from 2011, with service quality registering the largest drop (-14 points).

"Taiwan has seen a strong growth in new-vehicle sales year over year since 2008, driving service volumes to a new high," said Rajeev Nair, director at J.D. Power Asia Pacific, Singapore. "This poses a major challenge for dealerships to maintain the quality of the service experience."

Among the 15 vehicle brands ranked in the study, Lexus ranks highest with a score of 886 points and receives an award for the 14th consecutive year. Lexus also sets the industry benchmark across all five CSI factors, scoring the highest in each factor across brands. Rounding out the top five nameplates are BMW (871), Volvo (865), Volkswagen (858) and Nissan (852).

"Providing high levels of customer service against the backdrop of higher sales volume is clearly a challenge," said Nair. "Those brands that can successfully manage this expansion by planning ahead and scaling their operations will be better positioned for growth and thus, stand to benefit from increased customer loyalty and advocacy."

The study examines 22 service practices to identify specific actions that dealers can take to increase levels of satisfaction. It has found that returning the vehicle cleaner after service displays the greatest positive impact on customer satisfaction. Customers who report that their cars were returned washed and vacuumed after service had satisfaction scores averaging 27 points higher than customers who did not report receiving this service.

"Returning the vehicle in a cleaner condition post-service creates a positive impression of the quality of work at the dealership," said Nair. "It's the first thing that the customers note upon receiving their cars and certainly has a positive impact on the overall customer perception."

Another area that dealers can focus on is in reducing the time needed to hand a vehicle over for service. Customers who are able to hand over their cars within 5 minutes register satisfaction score 26 points above industry average. Customers are extremely time-sensitive in this aspect because when the customer has just to

wait for more than 15 minutes to send their vehicle in for service, satisfaction scores dips 18 points below industry average.

High customer satisfaction with dealer service may help boost the bottom line for both dealers and manufacturers. Among all the “delighted” customers (scores averaging 895 or higher), more than half of the customers “definitely will” recommend the service dealer to friends and relatives. Similar patterns are observed with customer repurchase intent where nearly half of these highly satisfied customers indicate that they are likely to repurchase the same brand.

The 2012 J.D. Power Customer Service Index Study is based on responses from 3,015 owners who received their new vehicle between March 2010 and June 2011 and took their vehicle for service to an authorized dealer or service center between September 2011 and June 2012. The study was fielded between March and 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, Taiwan, 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 operating in key business sectors including market research, forecasting, performance improvement, Web intelligence and customer satisfaction. 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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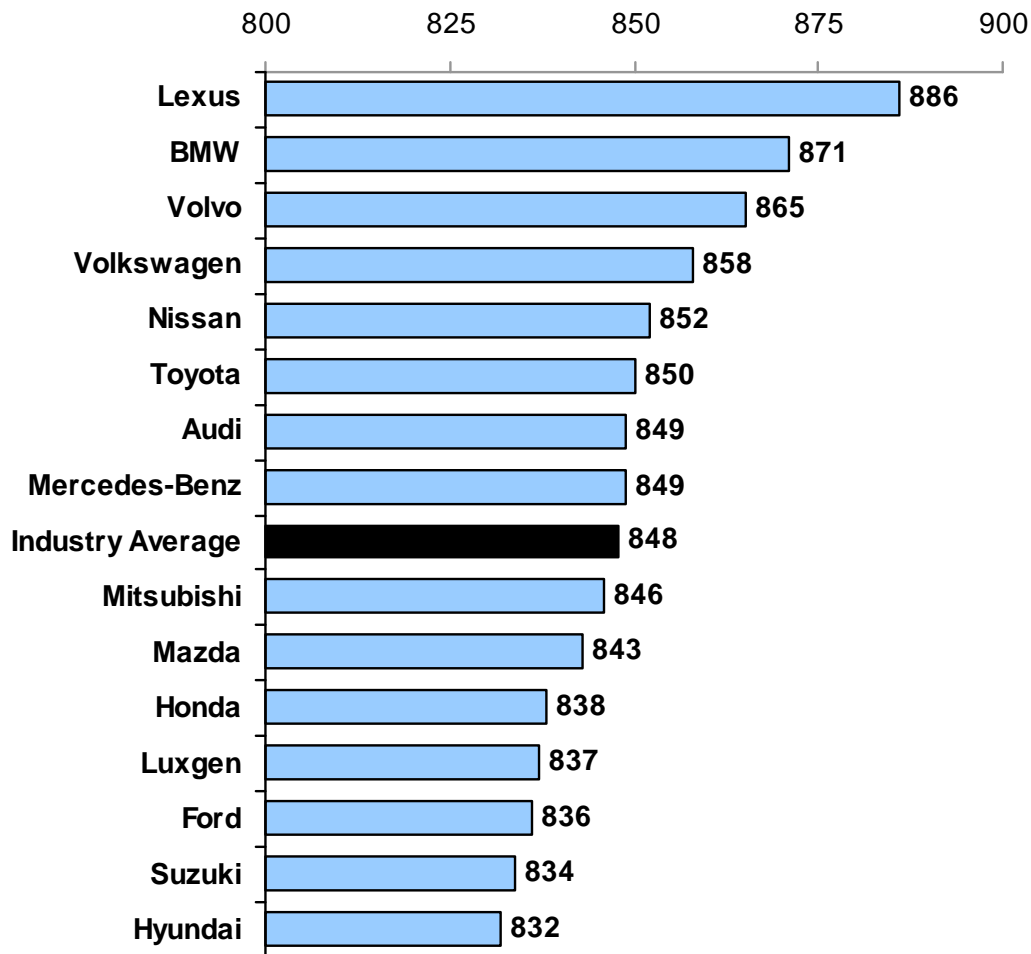
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NOTE: Two charts follow.

J.D. Power Asia Pacific 2012 Taiwan Customer Service Index (CSI) StudySM

Customer Service Index Ranking

Based on 1,000-point scale

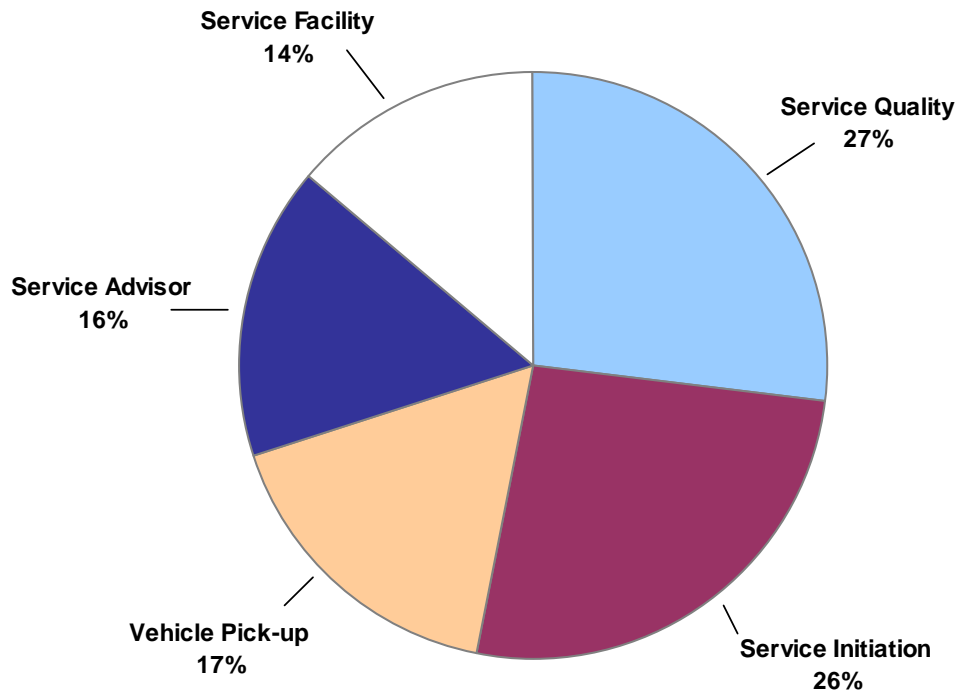


Source: J.D. Power Asia Pacific 2012 Taiwan Customer Service Index (CSI) StudySM

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J.D. Power Asia Pacific 2012 Taiwan Customer Service Index (CSI) StudySM

Factors Comprising Overall Satisfaction



Source: J.D. Power Asia Pacific 2012 Taiwan Customer Service Index (CSI) StudySM

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