

Press Release

J.D. Power Reports:

Vehicle Dependability Heavily Impacted by Owner Experiences with Technology

<u>Lexus Ranks Highest in Vehicle Dependability for a Fourth Consecutive Year;</u> <u>General Motors Company and Toyota Motor Corporation Each Receive Seven Segment Awards</u>

WESTLAKE VILLAGE, Calif.: 25 FEBRUARY 2015 — Bluetooth connectivity and voice recognition issues are the most frequently reported problems after three years of ownership, according to the J.D. Power 2015 <u>U.S. Vehicle Dependability Study</u> (VDS) released today. Study findings show that technology is playing an increasingly critical role in owners' perceptions of overall vehicle reliability, which, in turn, is impacting their likelihood to repurchase the same brand next time around.

The study, now in its 26th year, examines problems experienced during the past 12 months by original owners of 2012 model-year vehicles. Overall dependability is determined by the number of problems experienced per 100 vehicles (PP100), with a lower score reflecting higher quality. The study has been enhanced in 2015 to better measure the quality of today's vehicles, particularly related to new technologies and features now being offered.¹ The study covers 177 specific problem symptoms grouped into eight major vehicle categories.

The top two problems reported by owners are Bluetooth pairing/connectivity and built-in voice recognition systems misinterpreting commands. These are also the most frequent problems reported by owners at 90 days, according to the J.D. Power 2014 U.S. Initial Quality Study.SM

"As we've seen in our Initial Quality Study, owners view in-vehicle technology issues as significant problems, and they typically don't go away after the ownership honeymoon period is over," said **Renee Stephens, vice president of U.S. automotive at J.D. Power**. "Furthermore, early indications from our upcoming 2015 U.S. Tech Choice Study show that vehicle owner expectations of advanced technology capabilities are growing. Owners clearly want the latest technology in their vehicles, and they don't hesitate to express their disapproval when it doesn't work. Their definition of dependability is increasingly influenced by usability."

Because issues with technology impact overall dependability, they also impact repurchase intent. The study finds that 56 percent of owners who report no problems with their vehicle say they "definitely will" purchase the same brand next time, compared with 43 percent of those who report three or more problems. Together with the fact that 15 percent of new-vehicle buyers indicate they avoided a model because it lacked the latest technological features—up from just 4 percent in 2014²—technology clearly plays a key role in affecting future purchase decisions.

Key Study Findings

• Among owners who experienced a Bluetooth pairing/connectivity problem, 55 percent say that their vehicle would not recognize their phone, and 31 percent say the phone would not automatically connect when entering their vehicle.

¹ Due to the redesign of the 2015 Vehicle Dependability Study, PP100 scores in the 2015 study cannot be compared with PP100 scores in previous-year studies.

² J.D. Power 2015 U.S. Avoider StudySM

- The number of engine/transmission problems remains high. Nearly 30 percent of the reported powertrain problems are a result of automatic transmission hesitation and rough shifting.
- Six of the top 10 problems are design-related as opposed to defects or malfunctions.
- By vehicle category, the most frequently reported problems are related to exterior, followed by engine/transmission and audio/communication/entertainment/navigation.
- Overall vehicle dependability industry-wide averages 147 PP100, or approximately 1.5 problems per vehicle.

"At the three-year point, many owners are thinking about replacing their vehicles, and we find that how they feel about their current vehicle's quality and dependability impacts their intent to consider purchasing the same brand again," said Stephens. "Oftentimes, the issues owners experience can be resolved with a software update or, in the case of Bluetooth pairing problems, dealers can step in to help. In cases such as these, proactively reaching out to owners presents an opportunity for automakers and their dealers to engage with customers in a positive way."

Highest-Ranked Nameplates and Models

Lexus ranks highest in vehicle dependability among all nameplates for a fourth consecutive year, with a score of 89 PP100.

- **Buick** (110 PP100) follows Lexus in the rankings, moving up three rank positions from 2014.
- Following Buick in the rankings are **Toyota** (111 PP100), **Cadillac** (114 PP100), and **Honda** and **Porsche** in a tie (116 PP100 each).
- Notable rank improvements from 2014 include **Scion** (121 PP100), improving by 13 rank positions from 2014; **Ram** (134 PP100), improving 11 rank positions; and **Mitsubishi** (140 PP100), improving 10 rank positions.

General Motors Company and **Toyota Motor Corporation** each receive seven segment awards.

- GM models receiving an award include the Buick LaCrosse; Chevrolet Camaro; Chevrolet Malibu; Chevrolet Silverado HD; GMC Sierra LD; GMC Terrain; and GMC Yukon.
- Toyota awardees include the Lexus ES; Lexus GX; Scion tC; Scion xB; Scion xD; Toyota Corolla; and Toyota Sienna.

The 2015 U.S. Vehicle Dependability Study is based on responses from more than 34,000 original owners of 2012 model-year vehicles after three years of ownership. The study was fielded in November and December 2014.

Find more detailed information on vehicle dependability, as well as model photos and specs, at www.idpower.com/dependability.

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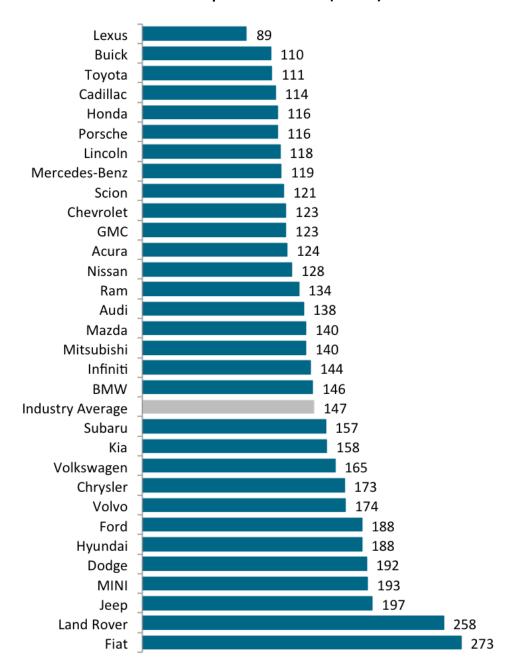
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NOTE: Three charts follow.

J.D. Power 2015 U.S. Vehicle Dependability StudySM (VDS)

2015 Nameplate VDS Ranking

Problems per 100 Vehicles (PP100)



Note: Included in the study but not ranked due to small sample size is Jaguar.

Source: J.D. Power 2015 U.S. Vehicle Dependability StudySM (VDS)

Charts and graphs extracted from this press release for use by the media must be accompanied by a statement identifying J.D. Power as the publisher and the study from which it originated as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. No advertising or other promotional use can be made of the information in this release or J.D. Power survey results without the express prior written consent of J.D. Power.

J.D. Power 2015 U.S. Vehicle Dependability StudySM (VDS)

Top Three Models per SegmentCar Segments

Small Car

Highest Ranked: Scion xD

Toyota Yaris Honda Fit

Compact Car

Highest Ranked: Toyota Corolla

Nissan LEAF Honda Civic

Compact Premium Car

Highest Ranked: Lexus ES

Lincoln MKZ Lexus CT

Compact Sporty Car

Highest Ranked: Scion tC

Volkswagen Eos MINI Cooper Midsize Car

Highest Ranked: Chevrolet Malibu

Nissan Altima Toyota Camry

Midsize Sporty Car*

Highest Ranked: Chevrolet Camaro

Ford Mustang

Midsize Premium Car

Highest Ranked: Mercedes-Benz E-Class

Lincoln MKS Infiniti M

Large Car

Highest Ranked: Buick LaCrosse

Toyota Avalon Ford Taurus

For more detailed findings on vehicle quality and dependability performance, visit www.jdpower.com/dependability

Source: J.D. Power 2015 U.S. Vehicle Dependability StudySM (VDS)

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^{*} No other model in this segment performs above segment average.

Note: There must be at least three models with 80 percent of market sales in any given award segment for an award to be presented. In the city car, compact premium sporty car, midsize premium sporty car, and large premium car segments, these criteria were not met, thus no awards have been issued.

J.D. Power 2015 U.S. Vehicle Dependability StudySM (VDS)

Top Three Models per Segment SUV, MPV, Van, Pickup Segments

Small SUV

Highest Ranked: Kia Sportage

Hyundai Tucson Jeep Patriot

Compact SUV

Highest Ranked: GMC Terrain

Toyota FJ Cruiser Toyota RAV4

Compact Premium SUV

Highest Ranked: Mercedes-Benz GLK-Class

Acura RDX BMW X3

Compact MPV

Highest Ranked: Scion xB

Mazda MAZDA5 Toyota Prius v

Midsize SUV

Highest Ranked: Nissan Murano

Buick Enclave Toyota Highlander Toyota Venza Midsize Premium SUV

Highest Ranked: Lexus GX

Lexus RX Cadillac SRX

Midsize Pickup

Highest Ranked: Honda Ridgeline

Nissan Frontier Toyota Tacoma

Minivan*

Highest Ranked: Toyota Sienna

Honda Odyssey

Large SUV

Highest Ranked: GMC Yukon

Chevrolet Tahoe
Chevrolet Suburban

Large Light Duty Pickup

Highest Ranked: GMC Sierra LD

Chevrolet Silverado LD Ram 1500 LD

Large Heavy Duty Pickup*

Highest Ranked: Chevrolet Silverado HD

GMC Sierra HD

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^{*} No other model in this segment performs above segment average.

Note: There must be at least three models with 80 percent of market sales in any given award segment for an award to be presented. In the large premium SUV segment, these criteria were not met, thus no awards have been issued.