



Press Release

J.D. Power Asia Pacific Reports: Mercedes-Benz Ranks Highest in Satisfying New-Vehicle Buyers in China with the Sales Process

Overall Dealer Sales Satisfaction Continues to Increase Steadily; Index Up 43 Points Since 2001

SHANGHAI: 30 August 2007 — Included in the rankings for the first time, Mercedes-Benz ranks highest in satisfying customers with the new-vehicle sales and delivery process in China, according to the J.D. Power Asia Pacific 2007 China Sales Satisfaction Index (SSI) StudySM released today.

This annual SSI Study, conducted independently by J.D. Power Asia Pacific since 2000, measures customer satisfaction with the new-vehicle purchase experience in the China market. Index scores are based on customer experiences in six factor areas, which are weighted to reflect what is most important to China's passenger-vehicle owners. They are (in order of importance): delivery process; salesperson; dealer facility; deal; delivery timing; and paperwork. SSI performance is reported as an index score based on a 1,000-point scale. A higher SSI score indicates a more satisfying sales process experience.

Mercedes-Benz sets a new benchmark for the industry with a score of 829. Mercedes-Benz performs particularly well in five of the six factors: deal, dealer facility, delivery process, paperwork, and salesperson. Approximately 80 percent of Mercedes-Benz customers report receiving 24 or all of the 25 sales standards measured in the study, compared with the industry average of 62 percent.

Dongfeng Honda follows Mercedes-Benz in the rankings with a score of 823 and improves by 36 points since 2006—the greatest increase of any brand in the study. Dongfeng Honda performs particularly well in dealer facility. Dongfeng Honda also demonstrates consistent high levels of performance across its entire dealership network.

Changan Suzuki closely follows Dongfeng Honda in the rankings with a score of 821 and improves considerably in all six factors since 2006. Changan Suzuki performs particularly well in delivery timing.

The study finds that overall satisfaction improves by 4 points in 2007 to an industry average of 808. Satisfaction improves in five out of the six factors driving satisfaction, with only delivery timing remaining unchanged since 2006. Delivery timing also posts the least improvement of any factor in the previous five years. Although the average vehicle delivery time has decreased to 3.6 days from 4.2 days, customer satisfaction with delivery timing has not improved, which could indicate rising customer expectations. The deal and dealer facility factors record the greatest improvement in 2007 and are also the most improved factors since 2003. In addition, the industry has also improved in sales standard implementation rates compared with 2006. Approximately sixty-two percent of customers report receiving 24 or all 25 sales standards measured in the study—an improvement of 8 percentage points since 2006.

The study also finds that the percentage of customers who report purchasing their car from a mono-brand dealer increases to 76 percent in 2007 from 41 percent in 2000. On average, customers who purchase from mono-brand dealers provide SSI scores that are 24 points higher than those of customers who purchase from multi-brand dealers.

“Creating a consistent and standardized brand image through dedicated mono-brand dealers has a clear impact on the customer shopping experience,” said Dr. Mei Songlin, general manager of J.D. Power Asia Pacific China operations. “Since the market is crowded with numerous brands, retail sales are the primary touch point between a brand and its customers and are a strong contributing factor in forming customer perceptions with a brand. In 2000, approximately 26 percent of customers reported taking vehicle brands into consideration when buying a new vehicle—this percentage is up to 60 percent in 2007. The degree to which a vehicle nameplate is able to

establish a strong and meaningful brand image among current and future generation consumers could dictate the level of success achieved in the market.”

The study finds that 58 percent of vehicle owners in China use the Internet to shop for their new vehicle. This figure has nearly quadrupled in the past five years. Forty-three percent of customers who used the Internet when shopping for a new vehicle report that they received a discount, while only 37 percent of non-Internet users reported receiving a discount. Moreover, the average discount received by Internet users was over RMB 450 more than the amount received by non-Internet users.

“With increasing competition—indicated by numerous brands, models and aggressive price cuts—retail sales play an increasingly important role in creating brand differentiation,” said Mei. “An excellent sales experience is shown to boost positive advocacy for both the brand and the dealer, while also directly increasing sales for retailers.”

Customers who indicate they were “delighted” (providing a score of 10 on a 10-point scale) with the overall sales experience at the dealer are nearly three times more likely (39%) to recommend their dealer than those customers indicating they were “indifferent” (providing a score of 6 to 7 points) regarding their purchase experience (14%). A customer who indicates they were “delighted” would advise two people in net (number of positive recommendations – number of negative recommendations), on average, to shop at their dealer. In contrast, a customer indicating they were “indifferent” advises an average of 0.7 people in net to shop at the dealership. A customer indicating they were “disappointed” (providing a score of 1 to 5 points) advises an average of 1.2 people in net not to shop at the dealership.

The study finds that 21 percent of customers who say they were “delighted” with the overall sales experience at the dealer visited only one dealer and purchased their vehicle at that dealer. However, only 15 percent of customers indicating they were “indifferent” about their sales experience visited only one dealer and purchased their vehicle at that dealer.

“Considering the fact that Chinese consumers are very active when shopping for a new vehicle—20 percent visit only one dealer, compared with 50 percent in India and 57 percent in the United States—it is critical that dealers provide a sales experience that at least meets customer expectations to ensure higher sales close ratios,” Mei said.

The China Sales Satisfaction Index Study is a consumer-driven measure of sales satisfaction based on evaluations by new-vehicle owners during the first two to six months of ownership. The 2007 study is based on responses from 8,335 new-vehicle owners and covers 40 makes sold in 24 major cities throughout China. The fieldwork for the study was conducted from February to May 2007.

About J.D. Power Asia Pacific

J.D. Power Asia Pacific, established in 1990, conducts customer satisfaction research and provides consulting services in the automotive, information technology and finance industries. Information regarding J.D. Power Asia Pacific’s China products can be accessed through the Internet at www.jdpowerchina.com.cn Media e-mail contact: songlin_mei@jdpower.com.sg

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Headquartered in Westlake Village, Calif., J.D. Power and Associates is an ISO 9001-registered global marketing information services firm operating in key business sectors including market research, forecasting, performance improvement, training and customer satisfaction. The firm’s quality and satisfaction measurements are based on responses from millions of consumers annually. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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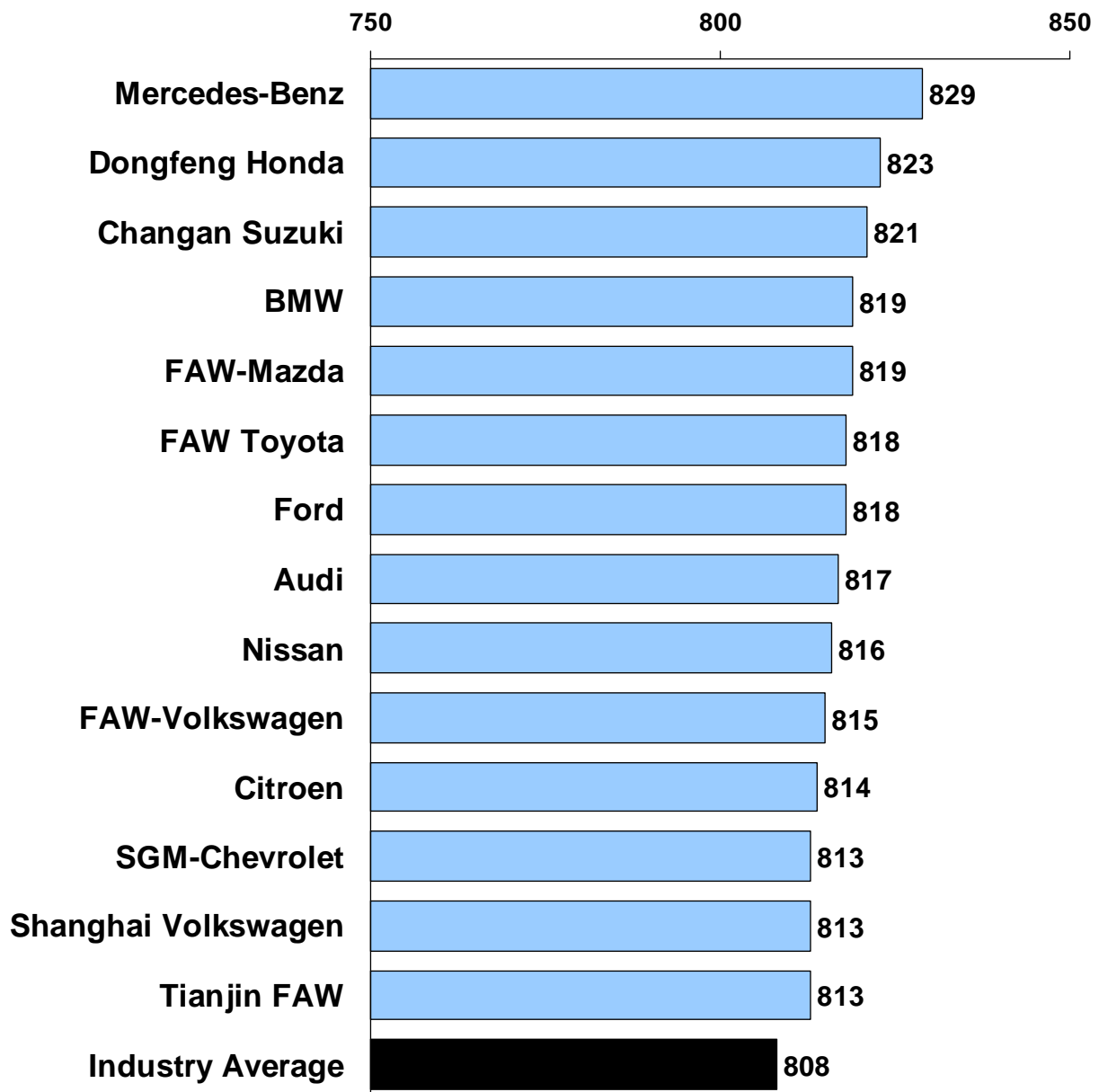
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NOTE: Two charts follow.

J.D. Power Asia Pacific 2007 China Sales Satisfaction Index (SSI) StudySM

Nameplates Above the Industry Average Sales Satisfaction Ranking

(Based on a 1,000-point scale)

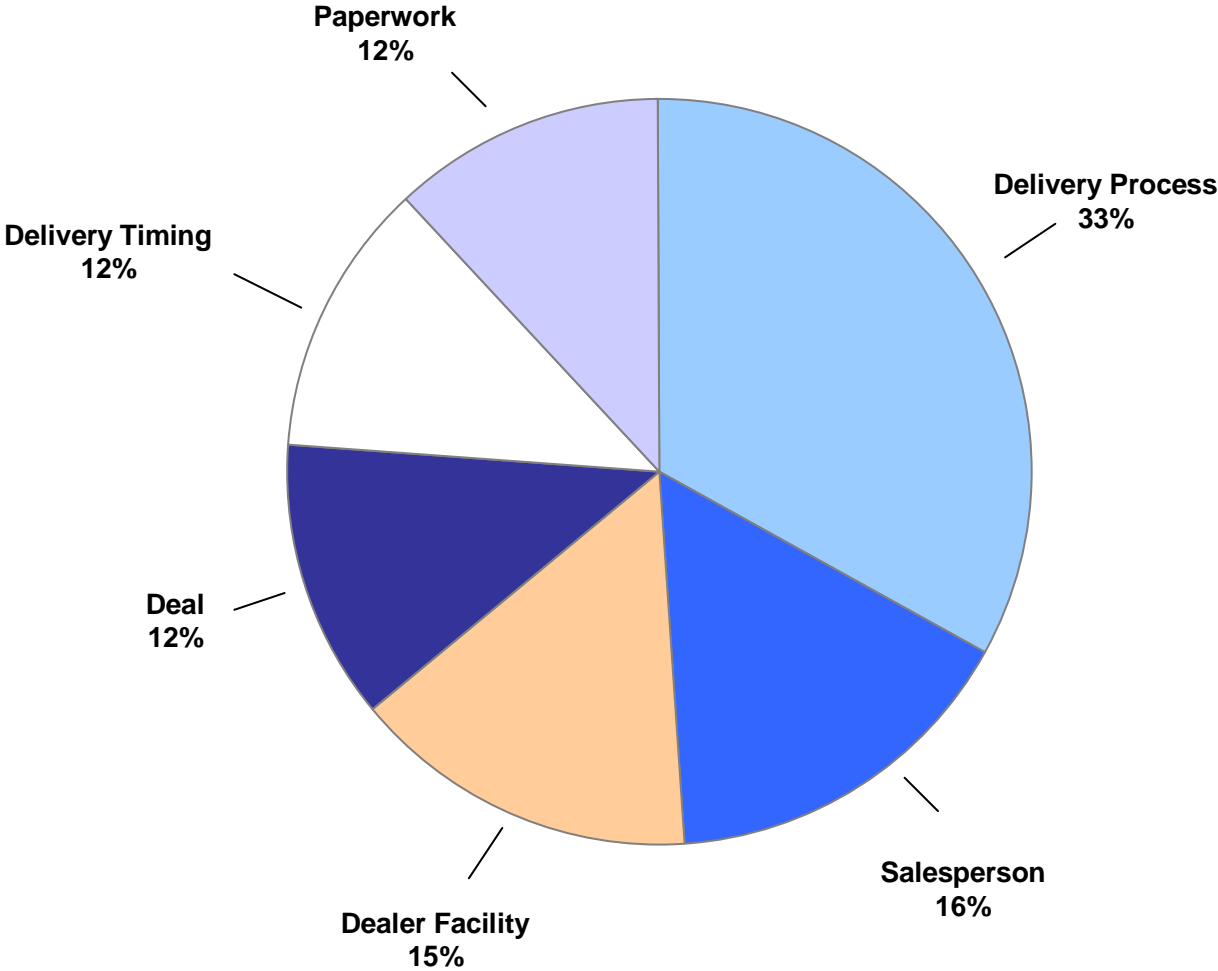


Source: J.D. Power Asia Pacific 2007 China Sales Satisfaction Index (SSI) StudySM

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J.D. Power Asia Pacific 2007 China Sales Satisfaction Index (SSI) StudySM

Factors Contributing to Overall Satisfaction



Source: J.D. Power Asia Pacific 2007 China Sales Satisfaction Index (SSI) StudySM

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