

After-Sales Service Satisfaction in Philippines Hits Record Low, J.D. Power FindsHonda Ranks Highest in Philippines After-Sales Service Satisfaction

SINGAPORE: 31 July 2017 — Customer satisfaction with after-sales service at authorized automobile service centers dramatically decreases to its lowest point since the study was launched in 2001, according to the J.D. Power 2017 Philippines Customer Service Index (CSI) Study,SM released today.

Overall satisfaction for the industry—measured on a 1,000-point scale—drops 29 points to an average of 793, down from 822 in 2016. Satisfaction decreases across all five factors, but service initiation and vehicle pick-up score the lowest at 787 each.

“The increased time spent handing over the vehicle before service—due to rapidly increasing service volumes—is one of the key reasons for the significant drop in service satisfaction,” said **Loïc Pean, senior manager at J.D. Power**. “Service networks are not expanding as fast as market demand, which creates challenges for service centers to handle the increasing traffic within a reasonable time—in a very time-conscious market—while also maintaining high-quality service standards.”

While the percentage of service appointments increases to 47% from 40% in 2016, the time required to secure an appointment also increases. Indeed, 72% of service customers say it took two or more days to get an appointment, with three in 10 customers (an increase of 10% from 2016) indicating they had to wait 9 minutes, on average, to speak to a service advisor. More than four in 10 (41%) customers say it took more than 30 minutes to complete the vehicle handover process (i.e., time waiting to be greeted, time conferring with the advisor, time to hand over keys and time to complete any initial paperwork), a figure which is nearly double the 21% in 2016.

“As a consequence of these capacity issues, more pressure is placed upon dealer facilities and staff,” said **Sigfred Doloroso, country manager at J.D. Power**. “This translates into a decrease of certain quality standards, which has a noticeable effect on customer satisfaction, such as providing accurate service cost and time estimates or the cleanliness of the vehicle on return. It is crucial that service advisors take more time to communicate with and offer advice and explanations on vehicle maintenance to each customer.”

The proportion of customers receiving a cost estimate before service drops to 78% from 83% in 2016. In addition, 5% of customers say they paid more than the estimated cost, compared with only 2% in 2016. Finally, 10% of customers surveyed indicate their vehicle had not been washed or vacuumed, more than three times the rate in 2016.

Following are additional key findings of the study:

- **More vehicle quality issues and repairs:** Three times as many customers in 2017 say they have experienced at least one problem with their vehicle since purchasing it than in 2016 (6% vs. 2%, respectively). As a result, the percentage of vehicle owners disappointed or indifferent (providing a rating of 7 or below on a 10-point scale) with the overall quality of their vehicle increasing to 17%, up from 9% in 2016. As a possible consequence, 10% of customers indicate they had repairs carried out during their most recent service visit, up by 3% from 2016.

- **Fewer commitments on service time:** The percentage of service customers who say the dealership did not “promise” when the vehicle would be ready is 12%, three times more than in 2016. Additionally, the percentage of customers who indicate they had to check with the dealership themselves to learn when their vehicle would be ready doubled to 8% from 4% in 2016.
- **More customers paying higher service fees:** More than eight in 10 (81%) customers paid for some or all of the service charges in 2017, up from 76% in 2016. Moreover, 13% say they paid more than what they had initially expected.
- **Increased time to finish paperwork and pick up vehicle:** Nearly one-fourth (24%) of customers say it took more than 20 minutes after service to complete payment and pick up their vehicle, compared with 20% in 2016.

Study Rankings

Honda ranks highest in overall service satisfaction among the 11 mass market brands included in the study, with a score of 803. Honda performs particularly well in four of the five factors: service quality; vehicle pick-up; service facility; and service advisor. **Hyundai** (798) ranks second, followed by **Mitsubishi** (797).

About the Study

The 2017 Philippines Customer Service Index (CSI) Study is based on responses from 1,951 new-vehicle owners who purchased their vehicle between February 2015 and May 2016 and took their vehicle for service to an authorized dealer or service center between August 2016 and May 2017. The study was fielded between February and May 2017.

The study, now in its 17th year, measures satisfaction among vehicle owners who visit an authorized dealership service center for maintenance or repair work between the first 12-24 months of vehicle ownership. The study measures overall satisfaction in five factors (in order of importance): service quality (29%); service initiation (26%); vehicle pick-up (17%); service facility (14%); and service advisor (14%).

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About J.D. Power in the Asia Pacific Region

J.D. Power has offices in Singapore, Bangkok, Kuala Lumpur, Beijing, Shanghai and Tokyo that conduct customer satisfaction research and provide consulting services in the automotive, information technology and finance industries in the Asia Pacific region. Together, the six offices bring the language of customer satisfaction to consumers and businesses in Australia, China, India, Indonesia, Japan, Malaysia, Philippines, Taiwan, Thailand and Vietnam. J.D. Power is a portfolio company of XIO Group, a global alternative investments and private equity firm headquartered in London, and is led by its four founders: Athene Li, Joseph Pacini, Murphy Qiao and Carsten Geyer. Information regarding J.D. Power and its products can be accessed through the internet at asean-oceania.jdpower.com.

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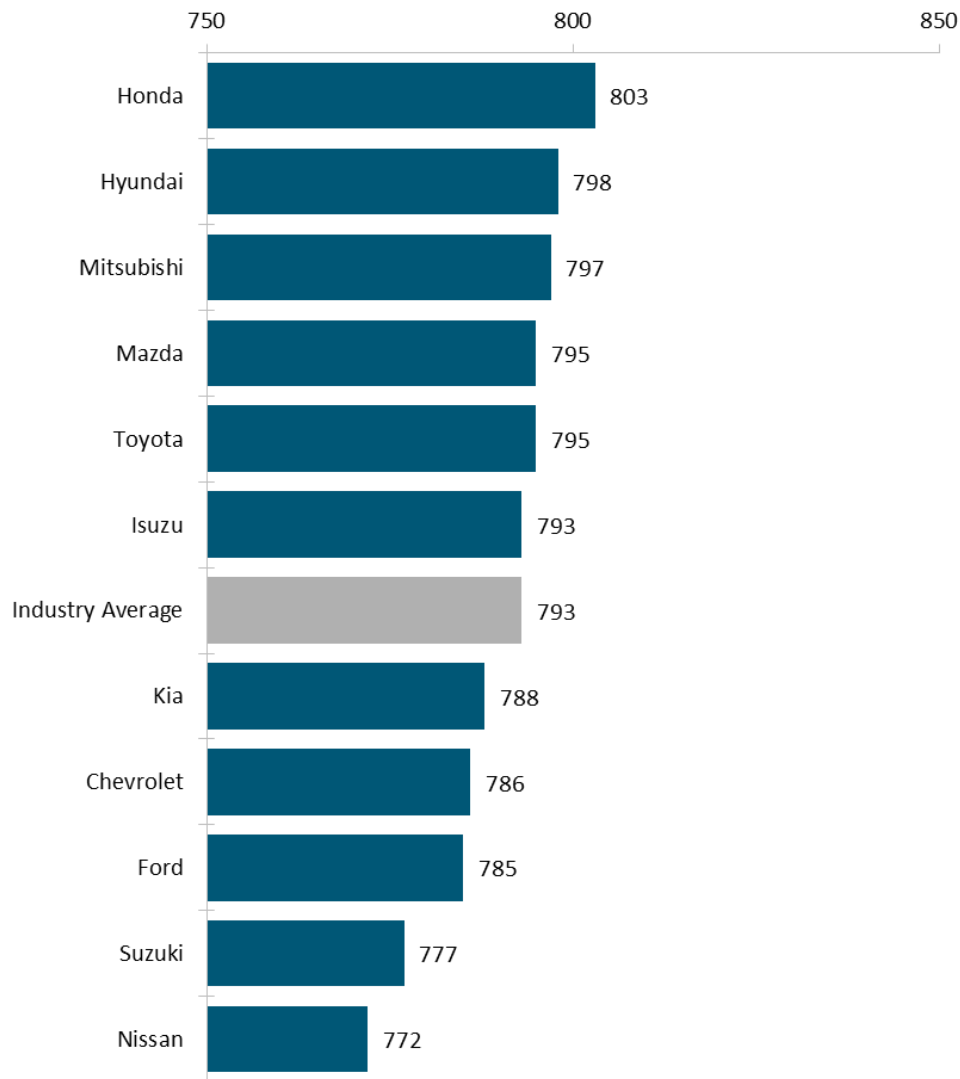
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Note: Two charts follow.

J.D. Power 2017 Philippines Customer Service Index (CSI) StudySM

Customer Service Index Ranking

(Based on a 1,000-point scale)

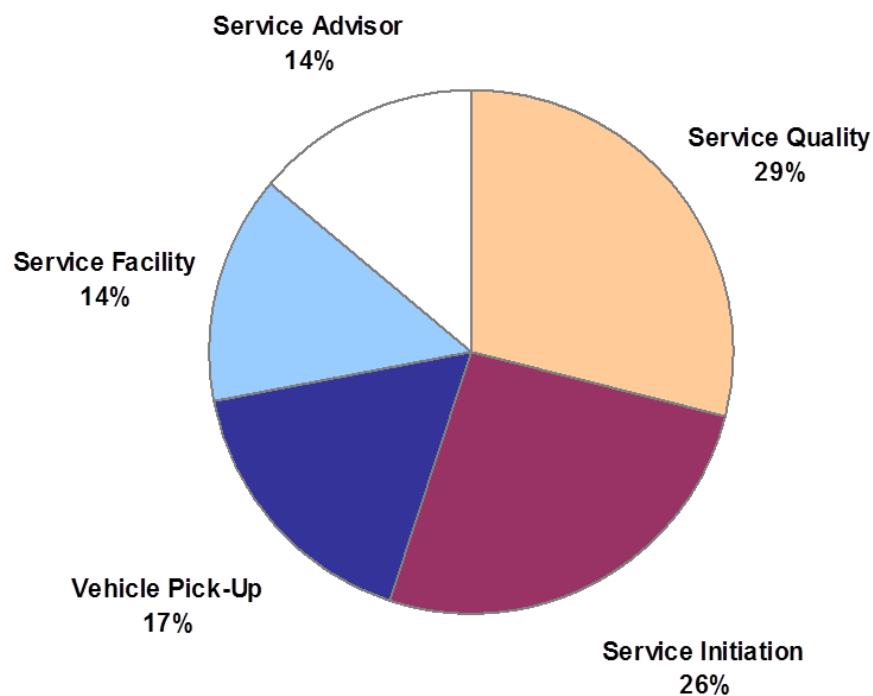


Source: J.D. Power 2017 Philippines Customer Service Index (CSI) StudySM

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Factors Comprising Overall Satisfaction



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