

Increased Expectations of New-Vehicle Buyers Ignite Competition between Brands, J.D. Power FindsToyota Ranks Highest among Mass Market Brands in New-Vehicle Sales Satisfaction for Third Consecutive Year

SINGAPORE: 30 Nov. 2017 — New-vehicle buyers are increasingly comparing brands, models, dealers and offers and negotiating harder at authorized dealers before deciding on their purchase, according to the J.D. Power 2017 Vietnam Sales Satisfaction Index (SSI) Study,SM released today.

Nearly two-thirds (65%) of new-vehicle buyers say they seriously considered another model while shopping for their new vehicle, with shoppers also visiting more brands' dealerships, compared with 2016. On average, new-vehicle shoppers use seven different sources of information to gather preliminary data and feedback about the models they are considering. The internet is the primary media used, with 99% of new-vehicle owners saying they used online sources while shopping. Browsing specialized websites and social networks has increased notably from last year at the expense of OEM/ dealer websites, which have been used less frequently in 2017.

"As competition in the Vietnamese automotive market grows in advance of the scheduled tax cuts in 2018, authorized dealers are actively trying to entice shoppers and boost sales through aggressive discounts and incentives, thereby increasing competition between brands," said **Loïc Péan, Senior Manager at J.D. Power**. "Unfortunately, this sometimes has the adverse effect of increasing expectations with respect to the final vehicle price, and dealer staff neglecting or expediting certain aspects of the new-vehicle sales and delivery process—both having a negative effect on customer satisfaction."

The study finds that the number of sales standards experienced by new-vehicle buyers has dropped considerably to 19.6 standards in 2017 from 20.6 in 2016 (out of 22 critical standards evaluated in the study). Specifically, interactions with customers are less pertinent than last year, as more customers indicate that their salesperson was not entirely focused on them (-13 percentage points); they did not receive a comprehensive explanation of the features and benefits of the vehicle while shopping (-10 percentage points); and/or they were not kept informed about the delivery status of their vehicle (-8 percentage points). Additionally, only 77% say the salesperson used an actual vehicle on display for the demonstration, down from 90% in 2016.

Following are some of the key findings of the study:

- **Overall sales satisfaction drops:** Overall satisfaction with the sales and delivery process decreases to 755 (on a 1,000-point scale) in 2017, down from 793 in 2016.
- **Harder negotiation, not higher satisfaction:** New-vehicle buyers are increasingly driving a harder bargain, as 60% say they negotiated the deal, up from 35% in 2016. Additionally, two-thirds (66%) received discounts and 98% received additional freebies from their dealer. Despite receiving more discounts and freebies, however, 27% of new-vehicle owners say they paid more than expected for their vehicle, a sharp increase from 12% in 2016.

- **Dealer loyalty and advocacy stagnate and remain low:** Among new-vehicle owners, 42% say they “definitely would” recommend their purchase dealer and 22% say they “definitely would” repurchase from the same dealer in the future, up slightly from 39% and 14% in 2016, respectively. However, fewer owners say they “definitely would” service their car at the same dealer year over year (51% vs. 66%, respectively).

Study Rankings

Toyota ranks highest in overall sales satisfaction for a third consecutive year, with a score of 777. Toyota performs particularly well in the sales initiation, dealer facility and delivery process factors. **Nissan** (776) ranks second, followed by **Kia** (764).

The 2017 Vietnam Sales Satisfaction Index (SSI) Study examines sales satisfaction in the mass market segment using six factors that contribute to overall customer satisfaction with the new-vehicle purchase experience (in order of importance): delivery timing (21%); dealer facility (17%); deal (17%); delivery process (16%); sales initiation (16%); salesperson (13%).

The study, now in its ninth year, is based on responses from 1,734 new-vehicle owners who purchased their vehicle from January through October 2017. The study was fielded online from August through October 2017.

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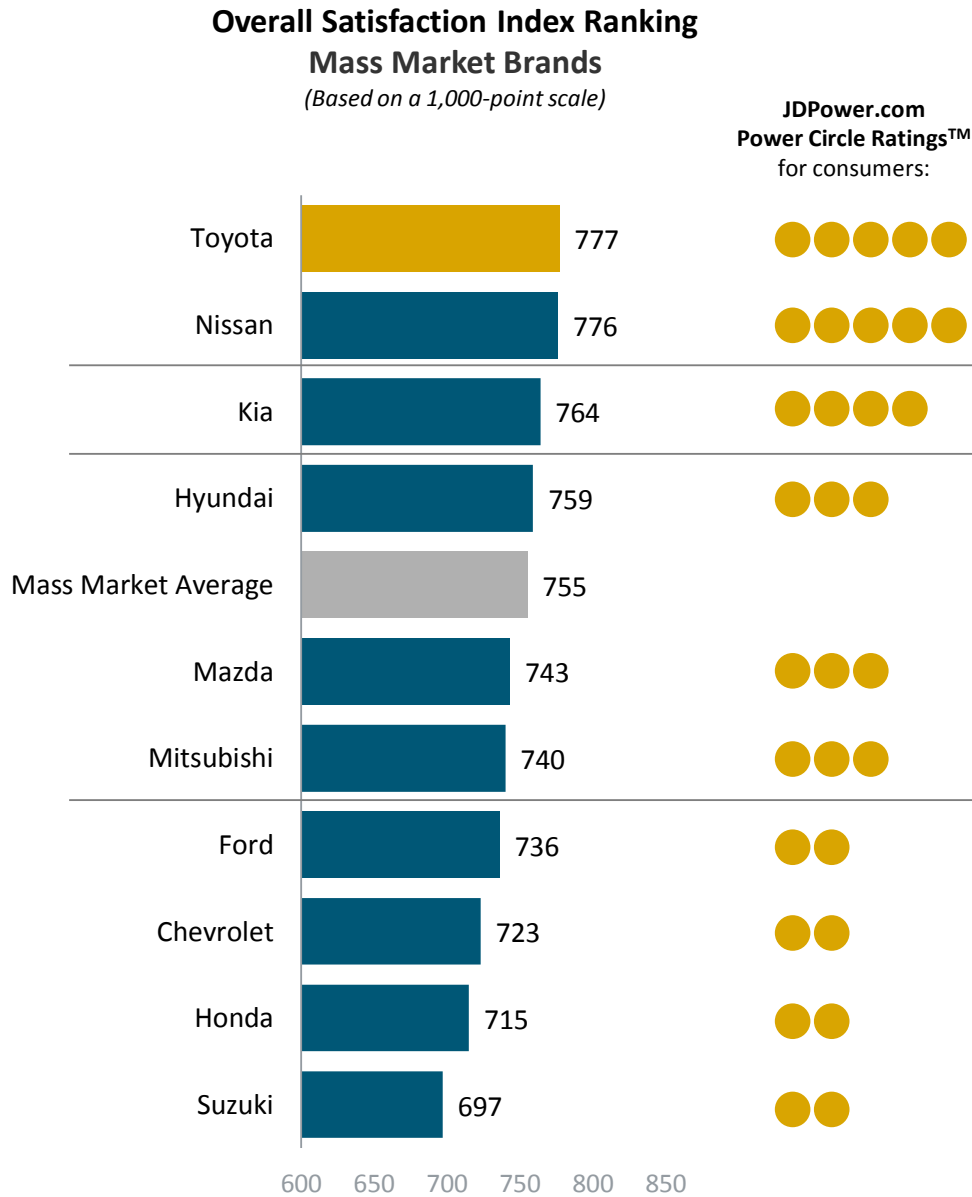
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Note: Two charts follow.

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Power Circle Ratings Legend

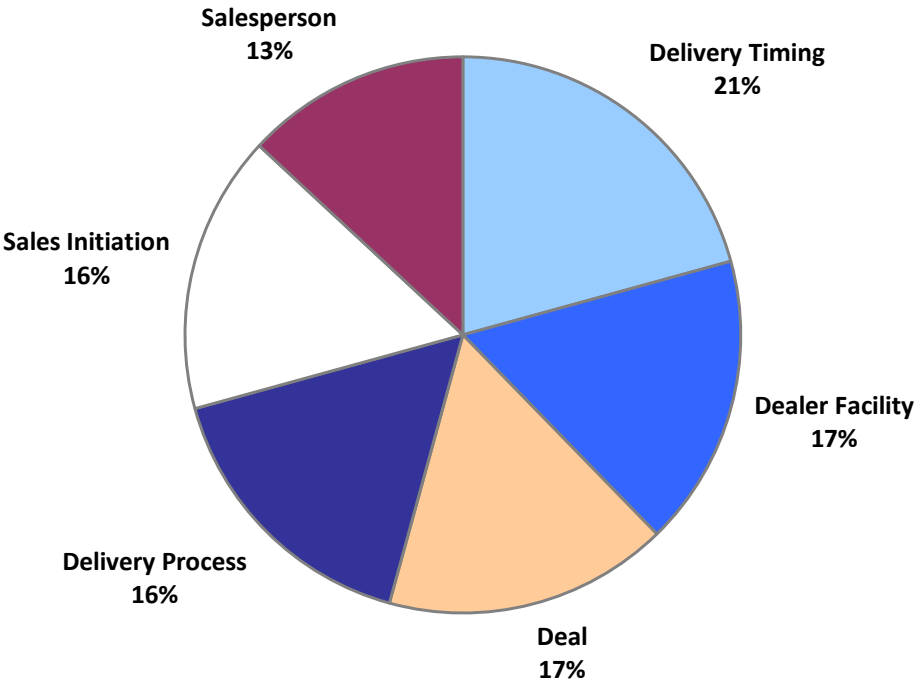
- Among the best
- Better than most
- About average
- The rest

Source: J.D. Power 2017 Vietnam Sales Satisfaction Index (SSI) StudySM

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Factors Comprising Overall Satisfaction



Note: Percentages may not total 100 due to rounding.

Source: J.D. Power 2017 Vietnam Sales Satisfaction Index (SSI) StudySM

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