



Press Release

J.D. Power and Associates Reports:

Despite Higher Customer Satisfaction with the New-Vehicle Sales Process, Automotive Brands, on Average, Are Losing 12 Percent of Buyers to Competitors Due to Poor Customer Treatment

Jaguar Ranks Highest among Luxury Brands in Satisfying Customers with the New-Vehicle Sales Process; Mercury Ranks Highest among Mass Market Brands

WESTLAKE VILLAGE, Calif.: 8 December 2009 — Overall satisfaction with the new-vehicle purchase experience has improved from 2008, but automakers are losing 12 percent of new-vehicle sales to other brands, on average, as a result of poor customer treatment at dealerships, according to the J.D. Power and Associates 2009 Sales Satisfaction Index (SSI) StudySM released today.

The study is a comprehensive analysis of the new-vehicle purchase experience. [Overall customer satisfaction](#) is measured for five factors: dealership facility; salesperson; paperwork/finance process; delivery process; and vehicle price.

Overall satisfaction averages 836 points on a 1,000-point scale in 2009, up by 11 points from 2008.¹ Satisfaction with each of the five factors improves from 2008, with the greatest improvements in the two areas that are most within the dealer's control—the salesperson and delivery process factors.

In particular, salespeople have improved most notably from 2008 in helping buyers stay within their budgets and in negotiating prices quickly. Within the delivery process, dealerships have improved considerably in providing complete explanations of the owner's manual and explaining vehicle features.

“In this difficult economy, dealerships are working particularly hard to close sales, but need to be attentive to customers without exerting unwanted sales pressure,” said Jon Osborn, director of automotive research at J.D. Power and Associates. “Nearly one in four buyers in 2009 reports experiencing sales pressure from their selling dealer.”

The study finds that more than one in five shoppers who leave a dealership without purchasing a vehicle do so because they experienced poor treatment or dealer performance issues such as pricing games, sales pressure tactics or discourteous treatment. While 43 percent of these buyers ultimately purchased from a different dealer of the same brand, 57 percent decided to purchase from a different brand altogether. For the industry as a whole, this equals a 12 percent loss of retail sales to other brands.

“With the billions of dollars that automakers spend designing, producing and marketing new vehicles, as well as in driving customers to showrooms, it is critical that potential buyers are not pushed out the dealer's door because of a poor customer experience,” said Osborn. “Manufacturers and dealers should be concerned with the experiences of all shoppers, whether they purchase or not. From a buyer's perspective, recollections of their shopping experience include not only the selling dealer, but also all of the other dealers they visited.”

¹ Due to a change in survey methodology, for the 2009 study, the overall satisfaction score for 2008 has been recalculated to allow for year-to-year comparison.

Sales Satisfaction Index Segment Rankings

Of the 38 brands included in the study, 29 have improved from 2008. Jaguar receives an award for a second consecutive year and ranks highest in 2009 among luxury brands in satisfying buyers with the new-vehicle sales process. Jaguar performs particularly well in the salesperson and paperwork/finance process factors. Following Jaguar in the [luxury brand rankings](#) are Cadillac, Lexus and Mercedes-Benz (in a tie) and Land Rover, respectively.

Among [mass market brands](#), Mercury ranks highest and performs particularly well in all five factors. Following in the mass market segment rankings are smart, Buick, Pontiac and Chevrolet, respectively. All seven Ford and GM mass market brands rank above the segment average.

MINI improves by 16 rank positions from 2008 to rank sixth in 2009, and is the most-improved brand this year.

The study findings also include the following key trends:

- On average, new-vehicle buyers shop at fewer than three dealerships, including the dealership from which they ultimately purchased. Nearly one-half (49%) of all new-vehicle buyers visit only their selling dealer during the purchase process. Therefore, dealers should view all shoppers as serious prospects and treat them accordingly.
- Satisfaction scores among buyers who visited only the selling dealer (848, on average) are considerably higher than those of customers who visited more than one dealer (826, on average). Customers who have a particularly satisfying experience at the first dealer they visit are less likely to shop other dealers.

The 2009 Sales Satisfaction Index (SSI) Study is based on responses from approximately 48,000 new-vehicle buyers who purchased or leased their new vehicles in May or June 2009. The study was fielded between August and October 2009. To view ratings on customer satisfaction with the new-vehicle sales process or an article on study results, visit JDPower.com.

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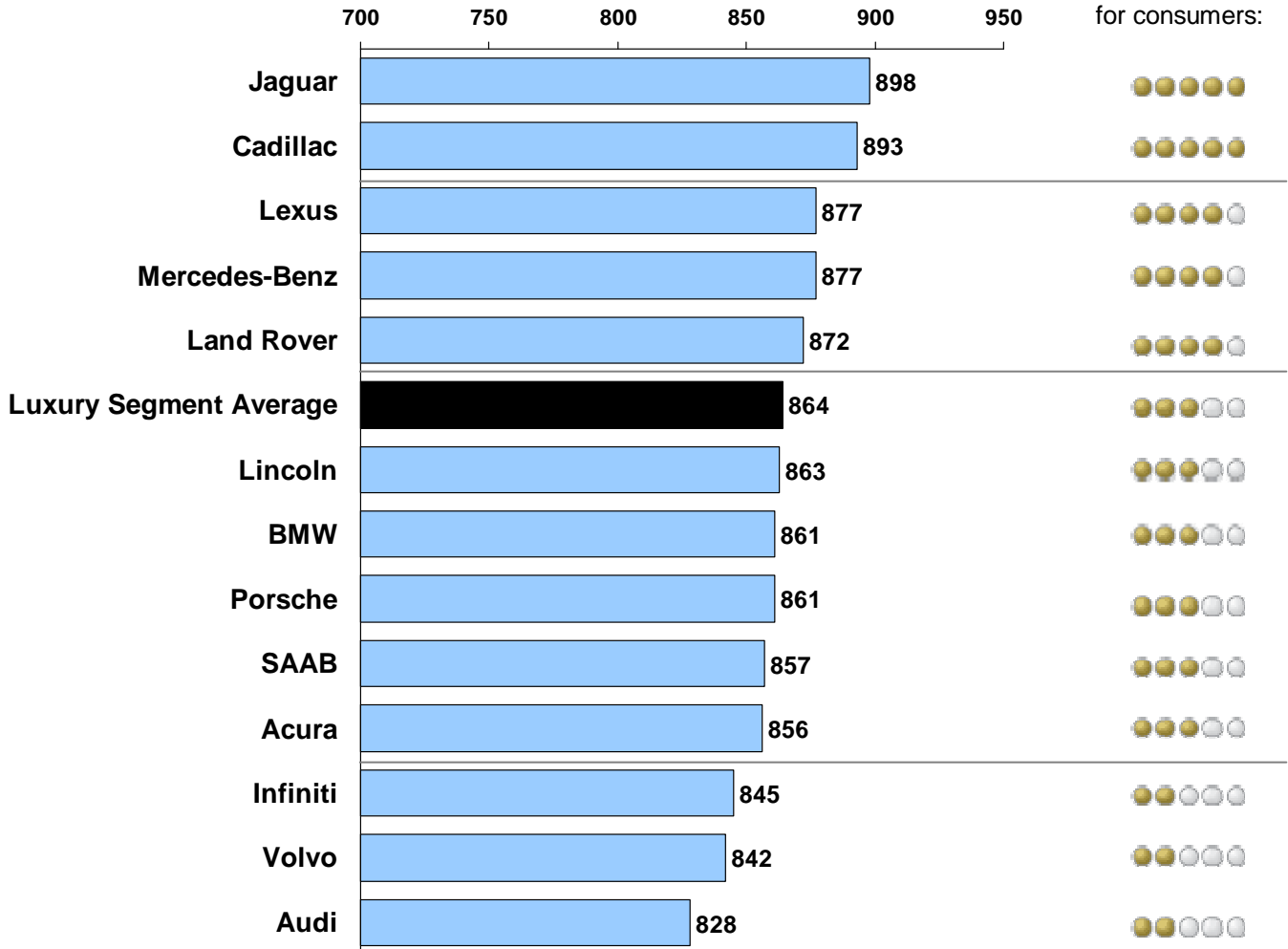
NOTE: Two charts follow.

J.D. Power and Associates 2009 Sales Satisfaction Index (SSI) StudySM

Sales Satisfaction Index Ranking

Luxury Brands
(Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



Power Circle Ratings Legend

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

Source: J.D. Power and Associates 2009 Sales Satisfaction Index (SSI) StudySM

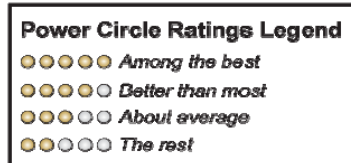
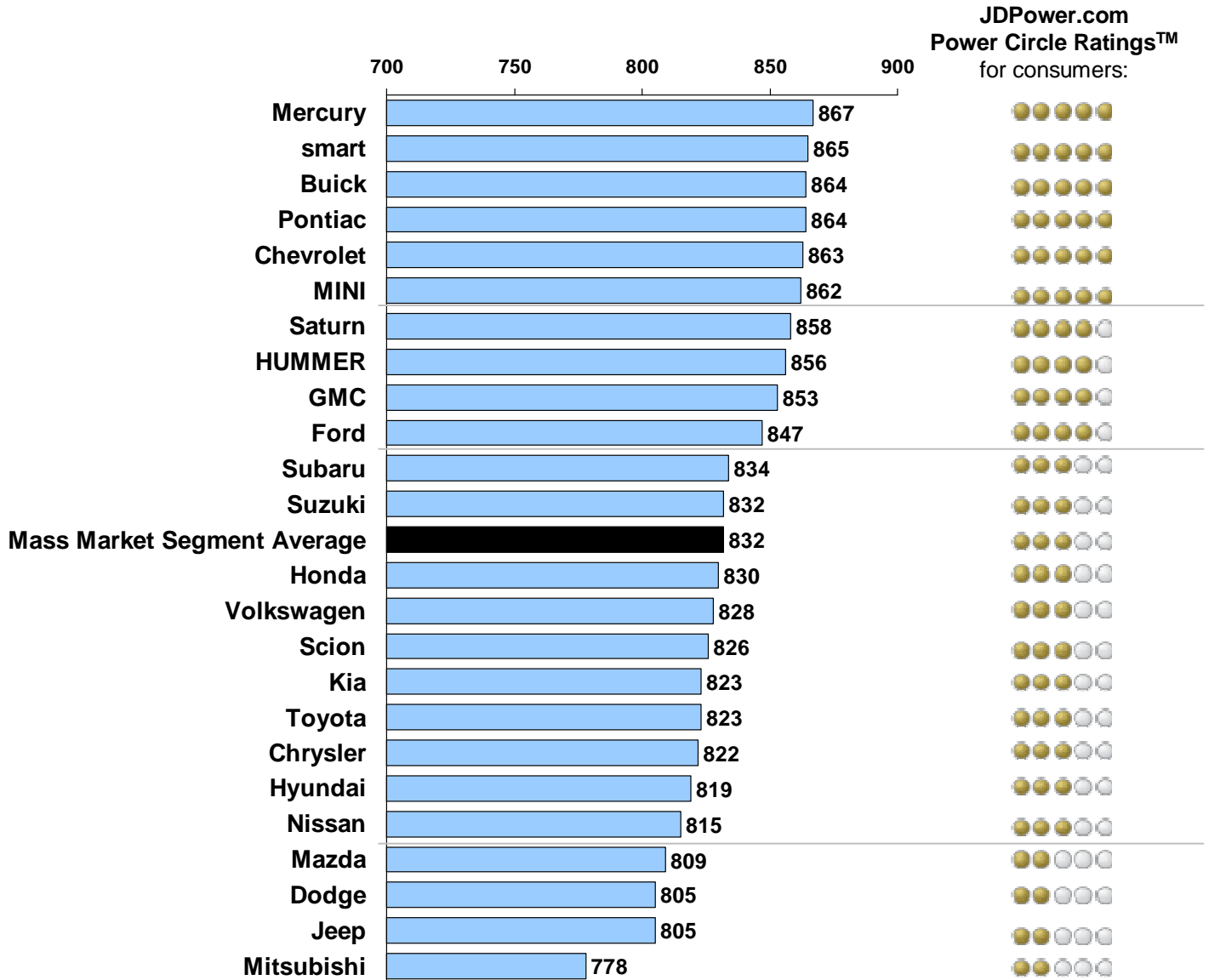
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J.D. Power and Associates 2009 Sales Satisfaction Index (SSI) StudySM

Sales Satisfaction Index Ranking

Mass Market Brands

(Based on a 1,000-point scale)



Source: J.D. Power and Associates 2009 Sales Satisfaction Index (SSI) StudySM

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