



Press Release

J.D. Power and Associates Reports: Manufacturer and Dealer Investments in Service Department and Employees Pay Off, As Overall Customer Satisfaction with Dealer Service Facilities Continues to Improve

Lexus Ranks Highest among Luxury Brands for Customer Satisfaction with Dealer Service for Fifth Consecutive Year; GMC Ranks Highest among Mass Market Brands

WESTLAKE VILLAGE, Calif.: 13 March 2013 — Recent investments made by automakers and dealers in improving the customer service experience are paying off in terms of more highly satisfied and loyal service customers, according to the J.D. Power and Associates 2013 U.S. Customer Service Index (CSI) StudySM released today.

The study finds that overall customer satisfaction with service at a dealer facility has increased to 797 (on a 1,000-point scale), a significant improvement from 787 in 2012 and up by 29 points since 2011. Additionally, overall satisfaction with dealer service facilities averages 44 index points higher than satisfaction with independent service facilities, a gap that has expanded by six points from 2012.

“Manufacturers have made large investments in their retail programs, and dealers have made significant investments in key customer touch-points—people, improved processes and customer waiting areas—which are having a profoundly positive impact on their customers,” said Chris Sutton, senior director at J.D. Power and Associates. “Dealerships are placing more emphasis on the service advisor’s role, which is essential to effectively handling service customers. Having a skilled, trained advisor is vital for a positive customer experience.”

The study examines satisfaction among vehicle owners who visit a service department for maintenance or repair work. The CSI rankings are based on dealer service performance during the first three years of new-vehicle ownership, which typically represents the majority of the vehicle warranty period. Five measures are examined to determine overall satisfaction with dealer service (listed in order of importance): service quality; service initiation; service advisor; service facility; and vehicle pick-up.

The study finds that owners visit a dealer service department an average of 2.6 times per year, most frequently for vehicle maintenance. The shift in the proportion of maintenance work to repair work is one of the contributing factors to the increase in overall satisfaction. More than three-fourths (77%) of vehicle owners indicate that their most recent dealer service visit was for maintenance, such as an oil change or tire rotation, an increase from 72 percent in 2012 and 63 percent in 2011.

Overall satisfaction among owners who took their vehicle to a dealership for maintenance work averages 806, compared with 768 among those who took their vehicle in for repair work. Among owners who visited an independent service station, overall satisfaction averages 754 for maintenance work and 750 for repairs.

Key Findings

- Overall customer satisfaction with service at a dealer facility has increased to 797, up significantly from 787 in 2012.
- More than three-fourths (77%) of customer visits to dealer service departments are for vehicle maintenance, up from 72 percent in 2012.
- Three of the 11 luxury brands and five of the 19 mass market brands have improved in overall satisfaction by at least 20 points.

Satisfaction with both maintenance and repair work conducted at dealer and non-dealer service stations is slightly higher among owners of premium vehicles than among owners of non-premium vehicles.

“The service mix continues to shift to maintenance and away from repairs, which is a testament to the improvement in vehicle quality and dependability,” said Sutton. “Owner satisfaction is generally higher for maintenance than for repairs for several reasons, primarily because maintenance tends to be less expensive and time-consuming and can be scheduled and completed at the owner’s convenience.”

When excluding complimentary service, service customers spend less out-of-pocket per visit at their dealership, compared with 2012 (\$118 vs. \$125, respectively); however, this amount remains higher than the average spent per visit at an independent service station (\$44). Owners of premium vehicles spend an average of \$198 per dealer visit, compared with \$31 when they visit an independent service station, while owners of non-premium vehicles spend an average of \$108 per dealer visit and \$45 per visit to an independent service station.

Higher Service Satisfaction Equals Higher Loyalty

The study finds a direct correlation between service satisfaction and loyalty. Overall, 79 percent of vehicle owners indicate they “definitely will” return to their dealership for maintenance and repairs covered under their vehicle’s warranty, and 64 percent indicate they “definitely will” return to the dealership for service work after their vehicle’s warranty expires. However, loyalty increases dramatically among vehicle owners who are “delighted” (satisfaction scores of 901 and higher) with their service experience, as 96 percent indicate they “definitely will” return to the dealer service department while their vehicle is under warranty, and 89 percent indicate they “definitely will” return post-warranty. Further, 38 percent of vehicle owners overall indicate that they “definitely will” purchase or lease their next vehicle from the same brand, and increases to 59 percent among owners who are “delighted.”

“The service experience has a profound impact on vehicle owners, not just where they take their vehicle the next time they need maintenance or repairs, but also on their next vehicle purchase,” said Sutton. “Dealers know this, and most are taking the appropriate steps to ensure their customers have the best experience possible on both the sales and service sides of the store.”

Overall Satisfaction with Service Improves

Overall satisfaction with dealer service improves by 10 points in 2013, compared with 2012, with gains in all five study measures. Among the 30 rank-eligible brands, 28 improve in service satisfaction from 2011, with eight brands improving by at least 20 points.

Additionally, overall satisfaction improves across all five study measures, with the largest year-over-year gains in service facility and vehicle pick-up, which also includes vehicle owner perception of the fairness of the charges.

“While there are a lot of things dealers can’t control, such as the product and the incentive levels on the sales side, one thing they can control is the service they provide,” said Sutton. “When new-vehicle sales dropped in 2008, dealers increased their focus on service, and that attention on the service customer continues today.”

Highest-Ranked Nameplates

Lexus ranks highest in satisfaction with dealer service among luxury brands for a fifth consecutive year. Lexus achieves an overall CSI score of 862 and performs particularly well in service initiation, service facility and service quality. Rounding out the five highest-performing nameplates in the luxury segment are Cadillac (858); Jaguar (856); Acura (852); and Infiniti (848).

Three of the 11 luxury brands improve their index score by 20 or more points, compared with 2012, with Land Rover achieving the greatest year-over-year improvement (+29 points). Infiniti improves by 24 points and Lincoln by 23.

Among mass market brands, GMC ranks highest with a score of 819. GMC performs particularly well in service initiation, service advisor, service facility and service quality. Rounding out the five highest-performing brands in the mass market segment are MINI (810); Buick (809); Chevrolet (806); and Volkswagen (804).

Five of the 19 mass market brands improve their index score by at least 20 points, compared with 2012, with Scion improving 24 index points, Nissan and Dodge each improving by 23 points. Mitsubishi improves by 22 points and Chrysler by 20.

J.D. Power and Associates offers the following tips for consumers regarding vehicle service at their dealership:

- When possible, schedule your dealer service appointment in advance. Customers who have an appointment tend to be more satisfied with their overall service experience than do those without an appointment due to dealer ability to appropriately prepare for the visit.
- If your vehicle has to remain at the dealership for maintenance or repairs, ask the service advisor for a loaner vehicle. Many dealerships have a fleet of vehicles customers may borrow while their vehicle is in for service.
- Following maintenance or repair work on your vehicle, ask for a vehicle inspection report, and review it with your service advisor.

The 2013 U.S. CSI Study is based on responses from more than 91,000 owners and lessees of 2008 to 2012 model-year vehicles. The study was fielded between October and December 2012. J.D. Power and Associates measures dealer service in various countries around the world, including Australia, Canada, China, Germany, India, Indonesia, Japan, Malaysia, Mexico, the Philippines, Taiwan, Thailand and the UK.

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company providing forecasting, performance improvement, social media and customer satisfaction insights and solutions. The company's quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on car reviews and ratings, car insurance, health insurance, cell phone ratings, and more, please visit JDPower.com. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

About The McGraw-Hill Companies

The McGraw-Hill Companies (NYSE: MHP), a financial intelligence and education company, signed an agreement to sell its McGraw-Hill Education business to investment funds affiliated with Apollo Global Management, LLC in November 2012. Following the sale closing, expected in early 2013, the Company will be renamed McGraw Hill Financial (subject to shareholder approval) and will be a powerhouse in benchmarks, content and analytics for the global capital and commodity markets. The Company's leading brands will include: Standard & Poor's, S&P Capital IQ, S&P Dow Jones Indices, Platts, Crisil, J.D. Power and Associates, McGraw-Hill Construction and Aviation Week. The Company will have approximately 17,000 employees in more than 30 countries. Additional information is available at www.mcgraw-hill.com.

J.D. Power and Associates Media Relations Contacts:

John Tews; Troy, Mich.; (248) 312-4119; media.relations@jdpa.com

Syvetril Perryman; Westlake Village, Calif.; (805) 418-8103; media.relations@jdpa.com

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(Page 3 of 3)

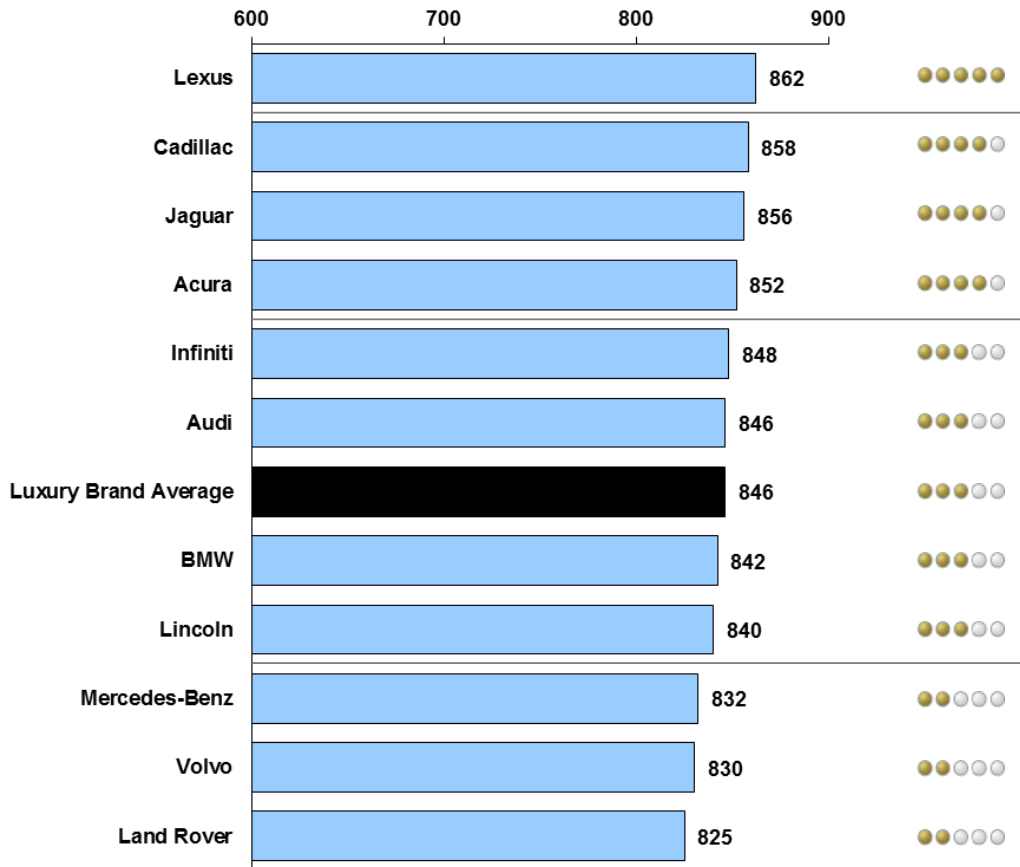
NOTE: Two charts follow.

J.D. Power and Associates 2013 U.S. Customer Service Index (CSI) StudySM

Customer Service Index Ranking Luxury Brands

(Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



Note: Porsche is not included in the rankings due to a sample collection process that resulted in non-representative sample for the brand.

Source: J.D. Power and Associates 2013 U.S. Customer Service Index (CSI) StudySM

Power Circle Ratings Legend

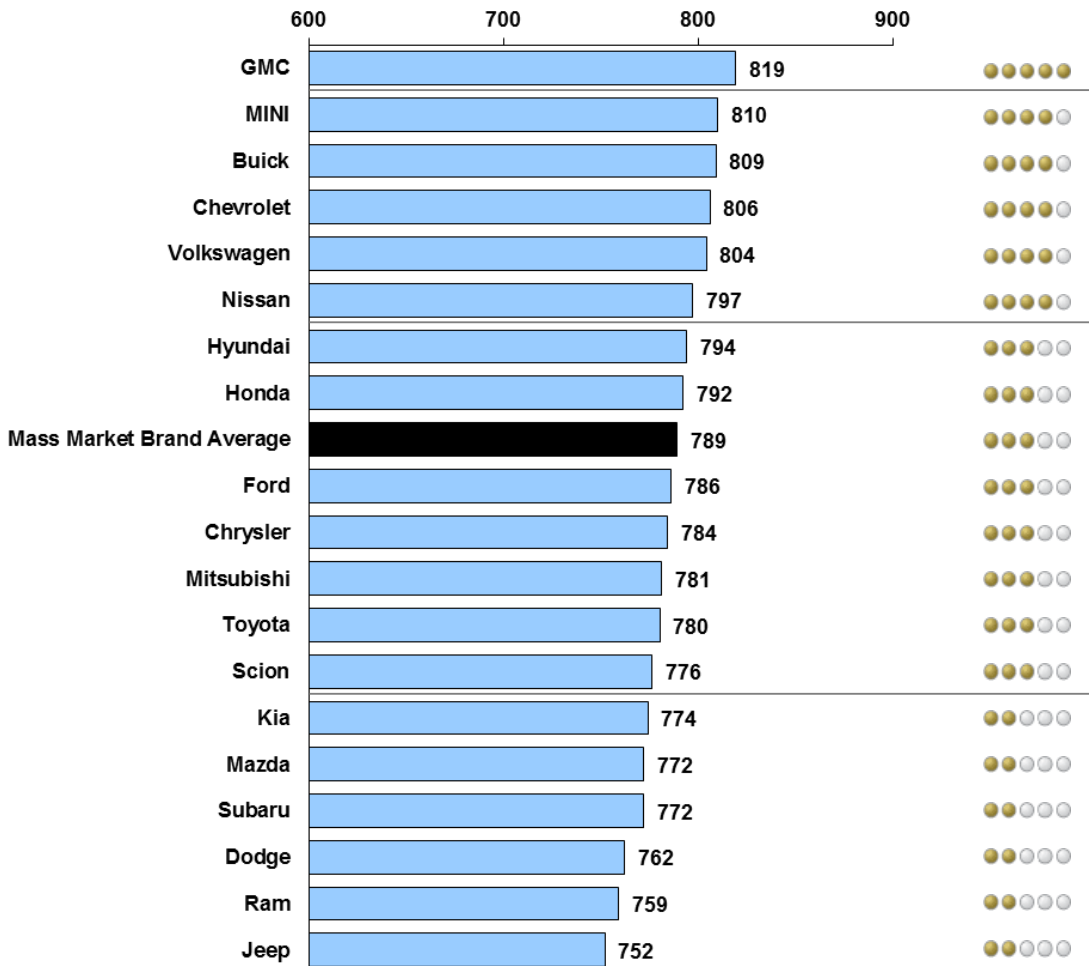
- Among the best
- Better than most
- About average
- The rest

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J.D. Power and Associates 2013 U.S. Customer Service Index (CSI) StudySM

Customer Service Index Ranking Mass Market Brands (Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



Note: Included in the study but not ranked due to small sample size is smart. Fiat is not included in the study because it has not been in the U.S. market long enough to have vehicles across the three model-year spectrum included in the study. Suzuki is not included in the study because American Suzuki Motor Corp. has filed for bankruptcy, has ended sales and plans to leave the U.S. market.

Power Circle Ratings Legend

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

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