



Press Release

J.D. Power and Associates Reports:

Customer Treatment Trumps Price in Driving Overall Satisfaction with the New-Vehicle Sales Experience

Jaguar Ranks Highest among Luxury Brands in Satisfying Customers with the New-Vehicle Sales Experience For a Third Consecutive Year; MINI Ranks Highest among Mass Market Brands

WESTLAKE VILLAGE, Calif.: 17 November 2010 — The manner in which customers are treated by the dealership is more important to overall new-vehicle buyer satisfaction than the actual transaction price, according to the J.D. Power and Associates 2010 U.S. Sales Satisfaction Index (SSI) StudySM released today.

The study is a comprehensive analysis of the new-vehicle purchase experience. [Overall customer satisfaction](#) is measured across four factors: working out the deal (33%); salesperson (25%); delivery process (21%); and dealership facility (20%).

The study finds that more than one-half (52%) of new-vehicle buyers cite dealer treatment as a reason to purchase their new vehicle from a specific dealer. In comparison, 38 percent of buyers cite vehicle price or the deal offered as the reason for selecting their dealer. Furthermore, once the dealer is selected, the ease of coming to an agreement on the final vehicle price has the single-greatest influence on buyer satisfaction, surpassing the importance of fairness of the actual price paid. With the exception of selecting a vehicle, negotiating the deal is the aspect of the new-vehicle buying process that takes the longest time (53 minutes, on average).

“The process of working out the deal is the primary indicator of whether new-vehicle buyers have a satisfactory purchase experience,” said Jon Osborn, director of automotive research at J.D. Power and Associates. “While there are some buyers who enjoy the negotiation process, many find it to be the most unpleasant part of purchasing a new vehicle. It is particularly important for retailers to make this process as efficient and collaborative as possible, given its importance to overall satisfaction.”

For a third consecutive year, Jaguar ranks highest among [luxury brands](#) in satisfying buyers with the new-vehicle buying experience. Jaguar performs particularly well in the salesperson and working out the deal factors. Cadillac and Mercedes-Benz follow in the luxury brand segment rankings. These two brands also ranked second and third, respectively, in 2009. Among luxury brands, Lincoln demonstrates the greatest improvement from 2009, moving from sixth rank position to fourth in 2010.

MINI ranks highest among [mass market brands](#), performing particularly well in dealership facility, salesperson and delivery process. Mercury and GMC, respectively, follow MINI in the mass market segment rankings. The mass market brands demonstrating the greatest improvement from 2009 are Hyundai (moving from 16th rank position to seventh in 2010) and Chrysler (moving from 15th rank position to eighth in 2010).

The study also finds that 60 percent of new-vehicle buyers visit more than one dealership during the shopping process. While many dealers are rejected for not having a vehicle that the buyers wanted to purchase, a significant number of buyers (18%) end showroom visits primarily due to poor customer treatment by the dealer’s salespeople. While some new-vehicle buyers complain about dealer sales staff applying too much sales pressure,

an equal proportion complain about receiving insufficient attention from salespeople. Other frequently mentioned complaints include dealer staff being discourteous or not being straightforward with the buyer.

“With new-vehicle retail sales remaining soft and manufacturers spending considerable amounts on incentives to get customers into showrooms, the value of prospects coming in to a dealership is extremely high,” said Osborn. “Dealers cannot afford to drive away customers through poor treatment. In addition, most of these rejecters go on to purchase a different brand of vehicle entirely, meaning that both the individual dealer and the automaker lose out.”

The Internet continues to play an increasingly important role in the new-vehicle shopping process, with more than three-fourths of new-vehicle buyers (79%) using the Internet during the shopping process. Twenty-four percent of buyers in 2010 submitted an online request for quote to a dealer, and were, on average, more satisfied with the negotiation process and the price paid. However, perhaps expecting a quicker sales process, these buyers are more likely to express dissatisfaction with the length of the sales process than are buyers who did not submit an online request.

“Dealers need to streamline the new-vehicle buying process for customers who do a lot of research online,” said Osborn. “These buyers tend to be affluent, well-informed and time-sensitive. They generally know the exact vehicle they want and how much they expect to pay for it. Despite often having little familiarity with the dealership they are buying from, they want to get in and out as quickly as possible. Dealers need to balance respect for the customer’s time while still providing what the customer needs.”

The 2010 U.S. Sales Satisfaction Index (SSI) Study is based on responses from 25,244 new-vehicle buyers who purchased or leased their new vehicle in May 2010. The study was fielded between August and October 2010.

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company operating in key business sectors including market research, forecasting, performance improvement, Web intelligence and customer satisfaction. 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.

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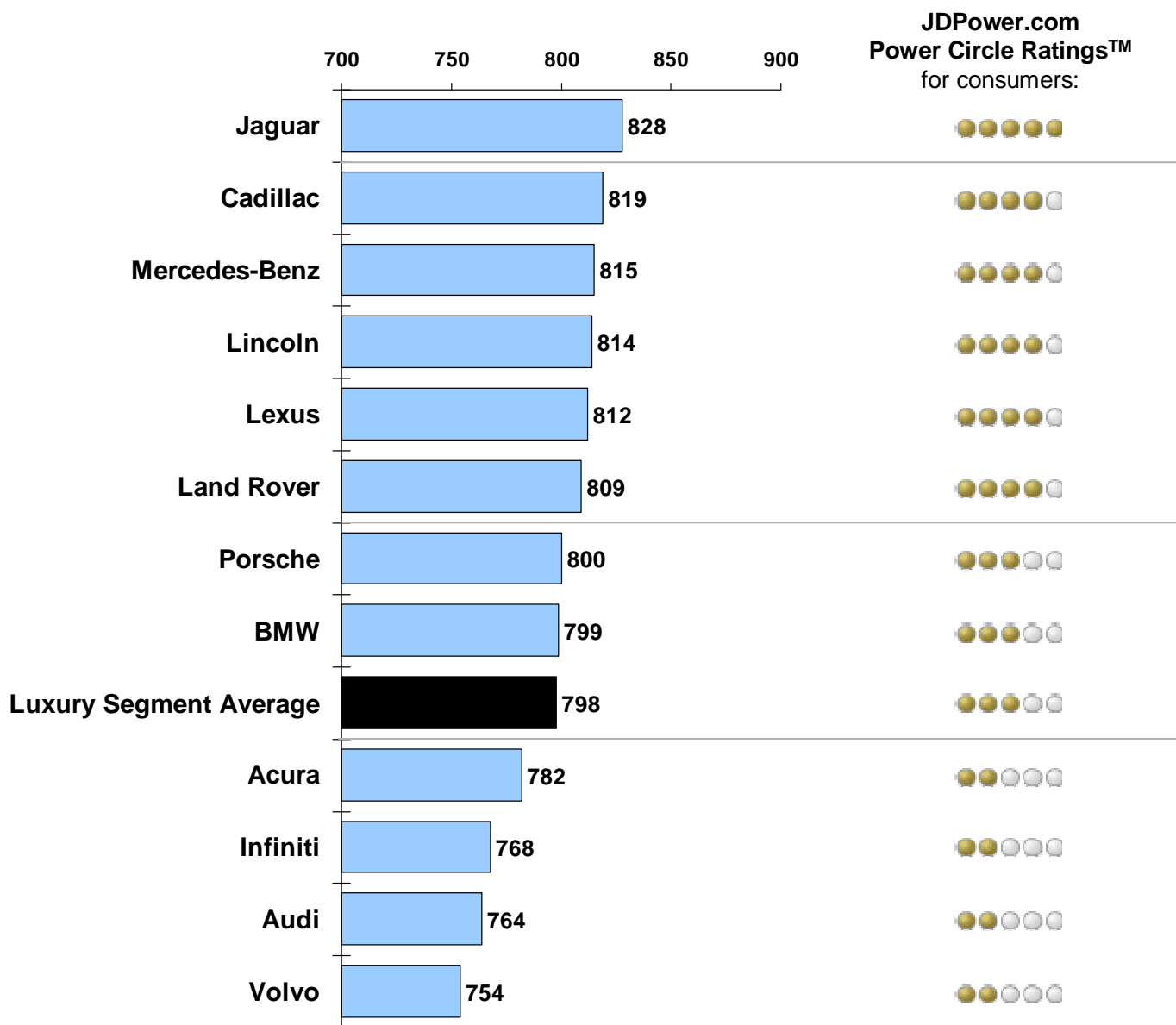
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NOTE: Two charts follow.

J.D. Power and Associates 2010 U.S. Sales Satisfaction Index (SSI) StudySM

Buyer Index Ranking Luxury Brands

(Based on a 1,000-point scale)



Power Circle Ratings Legend

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

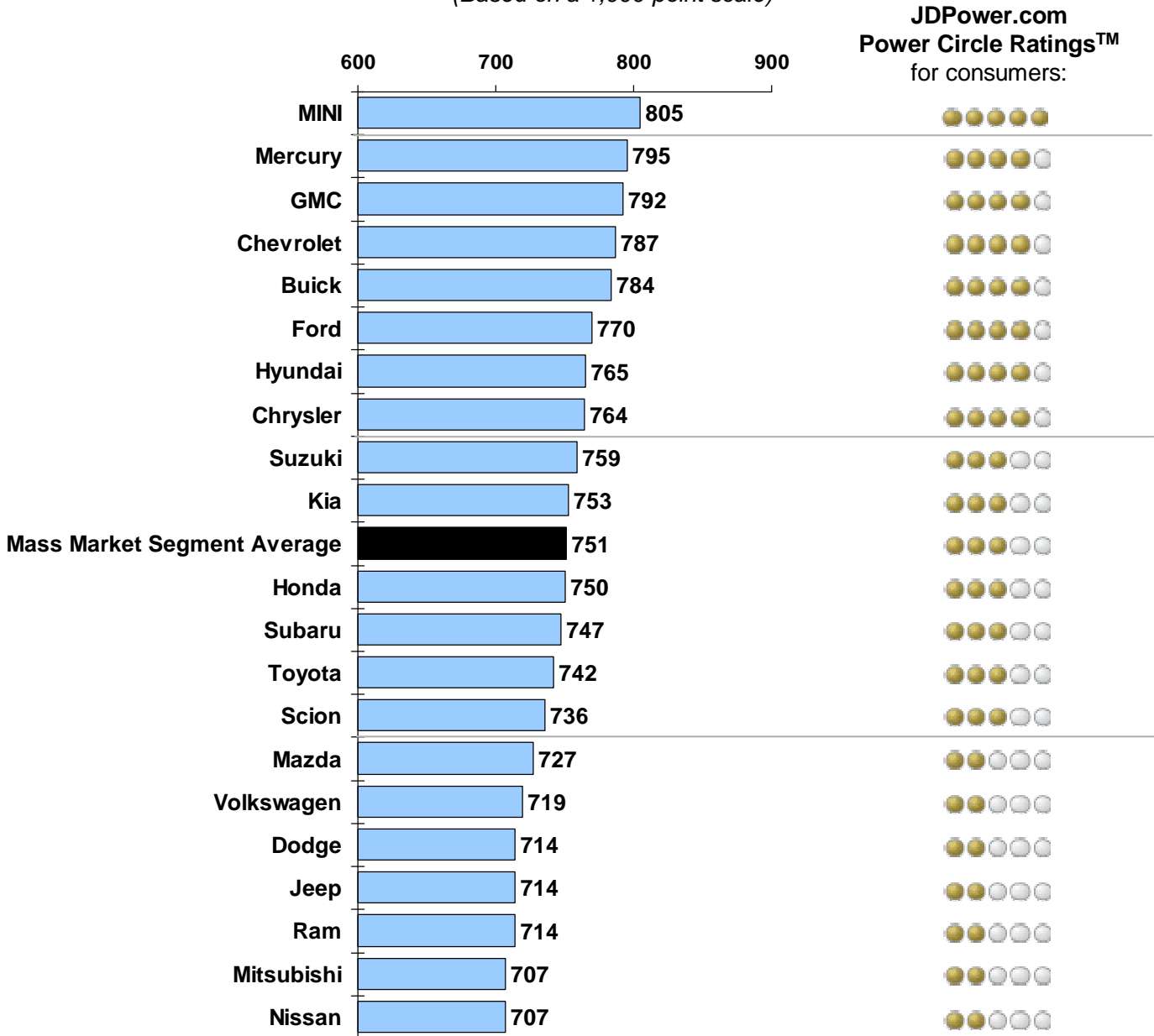
Source: J.D. Power and Associates 2010 U.S. Sales Satisfaction Index (SSI) StudySM

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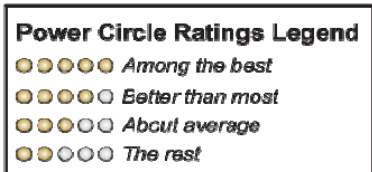
Buyer Index Ranking Mass Market Brands

(Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size is smart.

Source: J.D. Power and Associates 2010 U.S. Sales Satisfaction Index (SSI) StudySM



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