

## Press Release

### **J.D. Power do Brasil Reports: Hyundai-HMB Ranks Highest in Vehicle Ownership Satisfaction**

Volkswagen Gol G4 (Subcompact Car); Hyundai-HMB HB20 (Entry Compact Hatch); Renault Logan (Entry Compact Sedan); and Ford New Fiesta (Upper Compact Hatch) Rank Highest in Their Segments

**SÃO PAULO: 13 August 2014** — Hyundai-HMB ranks highest among automotive brands in satisfying new-vehicle owners in Brazil, with models from Ford, Hyundai, Renault and Volkswagen receiving segment awards, according to the J.D. Power 2014 Brazil Vehicle Ownership Satisfaction Study<sup>SM</sup> (VOSS) released today.

The Brazil VOSS, now in its fourth year, is an annual study that examines the new-vehicle ownership experience (12 to 36 months after purchase) across four measures of satisfaction. In order of importance, they are cost of ownership—including fuel consumption, insurance and maintenance/repair (42%); dealer service experience (23%); vehicle appeal—including performance, design, comfort and features (19%); and vehicle quality/reliability (16%).

#### **Hyundai-HMB Earns Highest Score**

Hyundai-HMB, which is profiled in the study for the first time, is the highest-ranked brand (788 on a 1,000-point scale), and performs well in the cost of ownership measure.

Hyundai-HMB is followed by Toyota (783), which performs well in the vehicle quality/reliability measure.

Rounding out the nameplates achieving scores above industry average are five additional automakers from Asia—Honda (774); Kia (762); Nissan (748); Mitsubishi (745); Hyundai-CAOA (742)—and one from Europe, Volkswagen (738).

Receiving model-level awards in their segments are the Volkswagen Gol G4 (subcompact car); Hyundai-HMB HB20 (entry compact hatch); Renault Logan (entry compact sedan); and Ford New Fiesta (upper compact hatch).

#### **Dealers Missing Opportunity to Drive Greater Ownership Satisfaction**

Overall vehicle owner satisfaction averages 731 in 2014, a slight decline from 733 in 2013. Satisfaction among owners in Brazil is lower than among those in other markets in which J.D. Power conducts the VOSS, such as Germany (788) and the United Kingdom (772).

In particular, satisfaction in Brazil lags in such key after-sales service metrics as respecting customer wait time; delivering the vehicle when promised; and the timeliness of completing paperwork.

With a sluggish economy and passenger-vehicle sales down by more than 7 percent year over year during the first half of the year, automakers in Brazil could benefit by focusing their attention on improving the overall customer after-sales service experience.

“The Brazilian auto market is facing a difficult period,” said Jon Sederstrom, country manager, J.D. Power do Brasil. “Automakers and dealers should make efforts to further diversify their revenue and profits by growing their after-sales service business, in order to maintain profitability in a declining new vehicle market.”

According to Sederstrom, most European and North American dealers rely far less on new-vehicle sales than their counterparts in Brazil. This financial diversification has come, in part, through an emphasis on the service experience. Dealers have recognized that a customer’s time, convenience and money are valuable. As a result, they have worked to shift their focus from fixing the vehicle to helping the customer by providing alternative transportation for convenience, delivering the vehicle on time and reducing the time to complete the service paperwork.

### **KEY FINDINGS**

- One of the most effective ways of increasing after-sales service business is to provide a highly satisfying experience for existing customers. Industry-wide, satisfaction with dealer after-sales service has been stagnant during the past two years, with an overall service index score of 765 in 2014, compared with 764 in 2012 and 763 in 2013—lower than in any of the other markets in which vehicle ownership satisfaction is measured by J.D. Power.
- While 89 percent of new-vehicle owners in Brazil indicate getting a service appointment on their desired date, this is a lower percentage than in the United States (95%), United Kingdom (94%), Canada (93%), Germany (93%) and Mexico (90%).<sup>1</sup>
- Dealers in Brazil struggle to ensure their service advisors greet customers promptly. The study finds that 32 percent of service customers in Brazil wait five minutes or longer before they are approached by a service advisor. In comparison, only 10 percent of customers in the United Kingdom and 18 percent in Germany have to wait five minutes before being greeted by their advisor.
- Having the vehicle ready when originally promised is also critical. New-vehicle owners are busy with professional and personal commitments, and they rely on their vehicles for their daily activities. However, Brazilian dealers fail to return 10 percent of vehicles when originally promised. Nearly another 10 percent of customers are not even promised a return date and time.
- A poor after-sales service experience has a significant impact on satisfaction, which should be noted by OEMs and dealers as it directly impacts loyalty, service retention and new-vehicle sales. Among customers who service their vehicle at a dealer, 28 percent say they “definitely will” return to that dealer for service they pay for. If dealers are able to improve key service processes, such as those

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<sup>1</sup> Sources: J.D. Power 2013 Canadian Vehicle Ownership Satisfaction Study<sup>SM</sup> (VOSS); J.D. Power 2014 U.S. Customer Service Index (CSI) Study<sup>SM</sup>; J.D. Power 2014 UK Vehicle Ownership Satisfaction Study<sup>SM</sup> (VOSS); J.D. Power 2014 Germany Vehicle Ownership Satisfaction Study<sup>SM</sup> (VOSS); and J.D. Power 2013 Mexico Vehicle Ownership Satisfaction Study<sup>SM</sup> (VOSS)

referenced above, by just 5 percentage points each, VOSS data suggests they could increase their service customer retention to 34 percent and their annual revenue per customer by R\$ 83.

### **About the Study**

The 2014 Brazil Vehicle Ownership Satisfaction Study is based on the evaluations of nearly 9,000 online interviews with new-vehicle owners in Brazil after 12 to 36 months of ownership. Overall ownership satisfaction is reported as an index score based on a 1,000-point scale, with a higher score indicating higher satisfaction. The study was fielded between March and June 2014. The 2014 Brazil VOSS includes 85 vehicle models.

### **About J.D. Power do Brasil**

Established in São Paulo in 2010, J.D. Power do Brasil conducts customer satisfaction research and provides market intelligence and consulting services for the automotive industry—manufacturers and dealers. Information regarding J.D. Power do Brasil and its products can be accessed through the Internet at [brasil.jdpower.com](http://brasil.jdpower.com).

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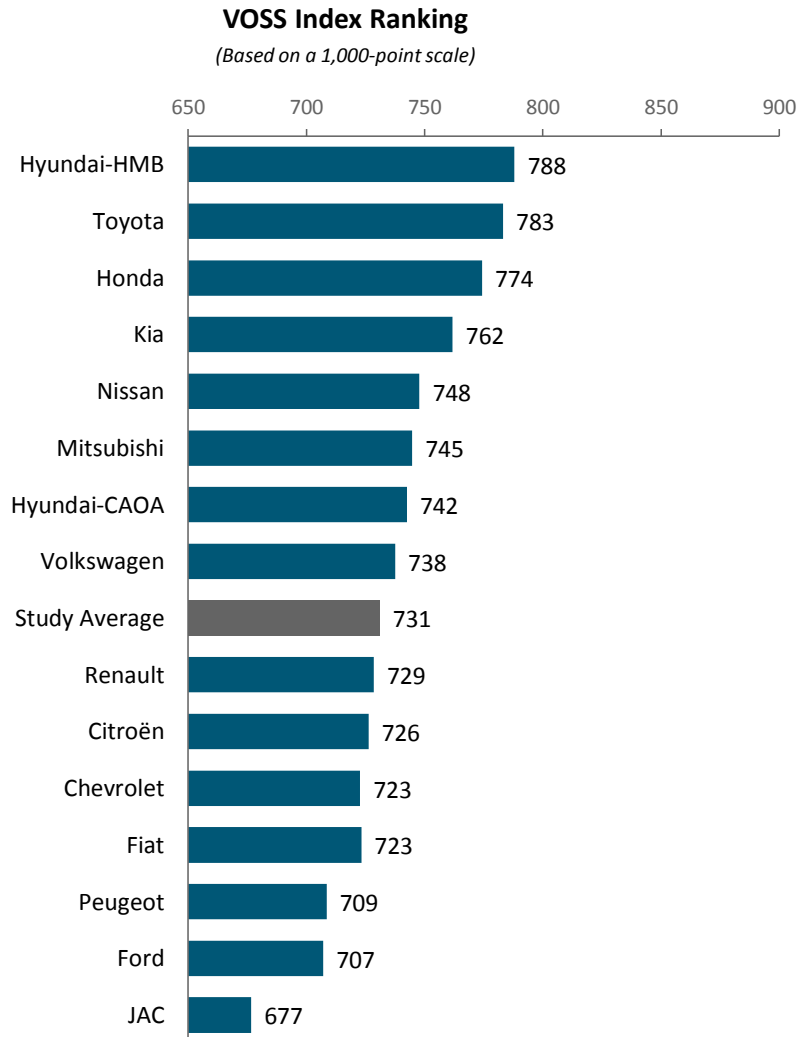
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Note: Three charts follow.

# J.D. Power do Brasil 2014 Brazil Vehicle Ownership Satisfaction Study<sup>SM</sup> (VOSS)



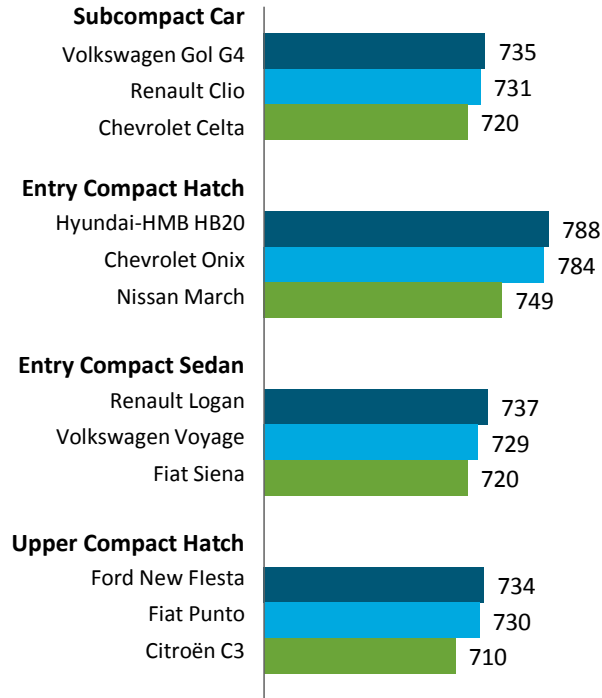
*NOTE: Included in the study, but not ranked due to small sample size is Chery.*

*Source: J.D. Power 2014 Brazil Vehicle Ownership Satisfaction Study<sup>SM</sup> (VOSS)*

*Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power as the publisher and the J.D. Power do Brasil 2014 Brazil Vehicle Ownership Satisfaction Study<sup>SM</sup> (VOSS) as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. No advertising or other promotional use can be made of the information in this release or J.D. Power survey results without the express prior written consent of J.D. Power do Brasil.*

# J.D. Power do Brasil 2014 Brazil Vehicle Ownership Satisfaction Study<sup>SM</sup> (VOSS)

## Top Three Models per Segment Overall VOSS Index (Based on a 1,000-point scale)



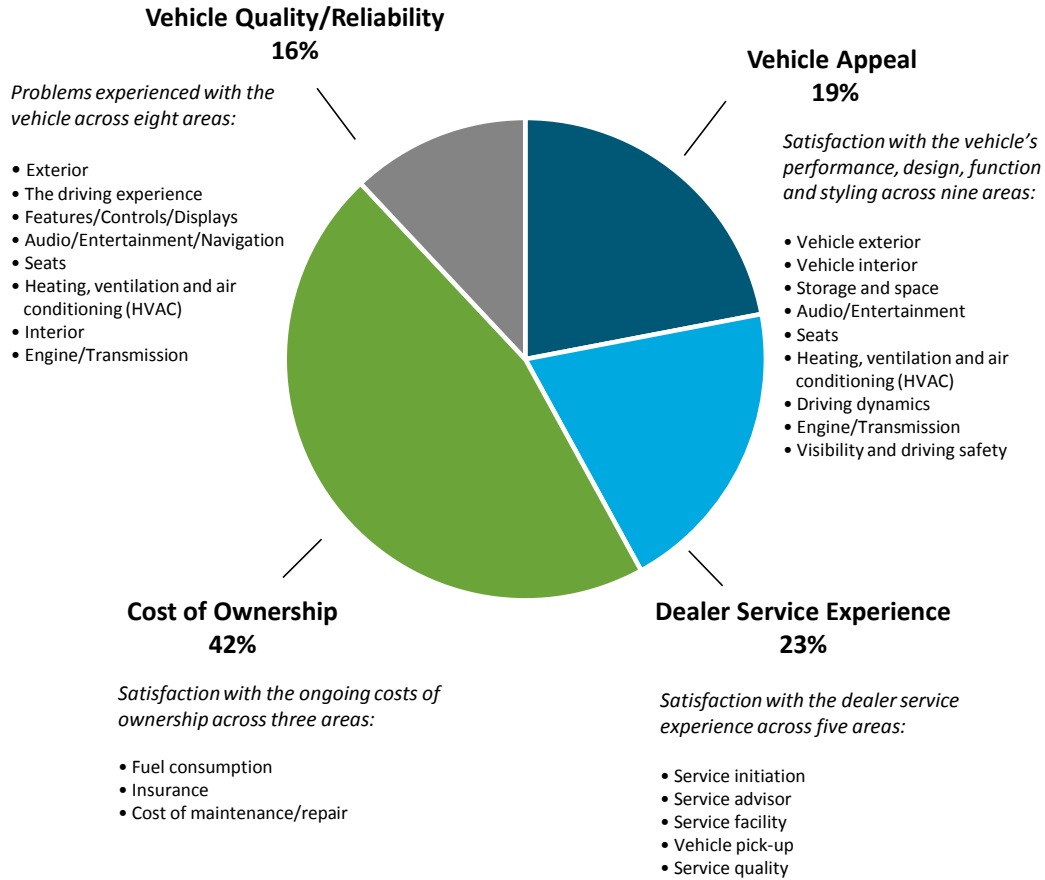
*NOTE: For a segment award to be presented, there must be at least four models with sufficient sample that comprise 67 percent of market sales within an award segment. No compact minivan, large car, medium pickup, medium SUV, midsize car, midsize minivan, mini pickup, mini SUV, small SUV, station wagon, or upper compact sedan awards have been presented due to insufficient market representation among rankable models in the segment.*

*Source: J.D. Power 2014 Brazil Vehicle Ownership Satisfaction Study<sup>SM</sup> (VOSS)*

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# J.D. Power do Brasil 2014 Brazil Vehicle Ownership Satisfaction Study<sup>SM</sup> (VOSS)

## Measures Contributing to Overall Vehicle Ownership Satisfaction



*Note: Percentages may not total 100 due to rounding.*

*Source: J.D. Power 2014 Brazil Vehicle Ownership Satisfaction Study<sup>SM</sup> (VOSS)*

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