

Chinese Customers Want Audio, Communication, Entertainment and Navigation (ACEN) Features in Their New Vehicles, J.D. Power Study Finds

Land Rover Ranks Highest in APEAL among Luxury Brands;
Dongfeng Yueda Kia Ranks Highest among Mass Market Brands

SHANGHAI: 18 Oct. 2016 — Cars with audio/ communication/ entertainment/ navigation (ACEN) features have the greatest appeal to owners in China, yet automakers are not increasing installation rates of the technologies fast enough to meet consumer demand, according to the J.D. Power 2016 China Automotive Performance, Execution and Layout (APEAL) Study,SM released today.

The study finds that vehicles equipped with ACEN features, such as vehicle health report capability, outperform those without such features by 34 points (on a 1,000-point scale). Despite the significant impact ACEN features have on the APEAL Index across all vehicle segments, installation rates are increasing only modestly. For example, the proportion of Chinese domestic vehicles equipped with in-vehicle Bluetooth has increased 10% year over year, while the proportions of international brands and luxury brands equipped with the technology have increased by 5% and 2%, respectively.

“Equipping vehicles with ACEN features that have a broad range of capabilities that appeal to consumers represents a huge opportunity for automakers in the China market,” said **Dr. Mei Songlin, vice president and managing director at J.D. Power**. “An ongoing effort to meet owner expectations with respect to the availability and performance of the latest ACEN features is needed in order to attract and satisfy new-vehicle buyers.”

Other key findings of the study include:

- **APEAL Scores Slip:** The overall APEAL score averages 699 points in 2016, a 3-point decline from 2015. The APEAL score in the luxury segment averages 733, a 1-point drop, while the mass market segment averages 695, a 3-point decline.
- **Korean Automakers Lead the Way:** By country of origin, Korean automakers collectively have the highest average APEAL score (760), followed by European (711), Japanese (701), U.S. (694) and domestic (677) manufacturers. International brands combined have an average APEAL score of 710, which is 33 points higher than the average for domestic makes.
- **Repeat or First-Time Buyer?** Vehicles owned by first-time buyers have a much lower average APEAL score (694) than vehicles owned by repeat buyers (726). The gap between those scores is attributed to a lower percentage of first-time buyers purchasing luxury vehicles (7%), compared with repeat buyers (29%).

The China APEAL Study, now in its 14th year, serves as the industry benchmark for new-vehicle appeal. It measures how gratifying a new vehicle is to own and drive, based on owner evaluations during the first two to six months of ownership. The study examines 77 attributes across 10 vehicle categories: exterior; interior; storage and space; ACEN; seats; heating, ventilation and air conditioning (HVAC); driving dynamics; engine/ transmission; visibility and safety; and fuel economy.

2016 China APEAL Ranking Highlights

Among luxury makes, **Land Rover** ranks highest with a score of 749. **Porsche** (742) ranks second, followed by **Audi** (741) and **Cadillac** (735).

Dongfeng Yueda Kia ranks highest among mass market makes, with a score of 765. **Beijing Hyundai** (757) ranks second, followed by **Dongfeng Citroen** and **Jeep** in a tie (720 each).

Among the 13 model-level segment awards, Dongfeng Yueda Kia receives five awards for the K2, K3/K3S, K4, KX3 and Sportage R. Audi receives three awards for the Q3, A4L and A6L. Five of the highest-ranked models (Kia K2, Peugeot 301, Hyundai Sonata, Hyundai Santa Fe and Audi A4L) are also award recipients in the J.D. Power 2016 China Initial Quality StudySM (IQS).

Models receiving segment awards are:

- Compact Upper: Kia K2
- Midsize Basic: Peugeot 301
- Midsize: Kia K3/K3S
- Midsize Upper Economy: Kia K4
- Midsize Upper: Hyundai Sonata
- Compact Luxury: Audi A4L
- Midsize Luxury: Audi A6L
- Small SUV: Dongfeng Future Joyear X5
- Compact SUV: Kia KX3
- Midsize SUV: Kia Sportage R
- Large SUV: Hyundai Santa Fe
- Compact Luxury SUV: Audi Q3
- Midsize Luxury SUV: Porsche Macan

The 2016 China Automotive Performance, Execution and Layout (APEAL) Study is based on evaluations from 21,706 owners of new vehicles purchased from September 2015 through May 2016. The study analyzes models in 22 vehicle segments and includes 259 different passenger-vehicle models from 71 different brands. The study was fielded from March through July 2016 in 62 major cities across China.

Media Relations Contacts

Michelle Meng; J.D. Power; Beijing, China; +86 01 6569 2702; yutian.meng@jdpa.com

John Tews; J.D. Power; Troy, Michigan, USA; 001 248 680 6218; john.tews@jdpa.com

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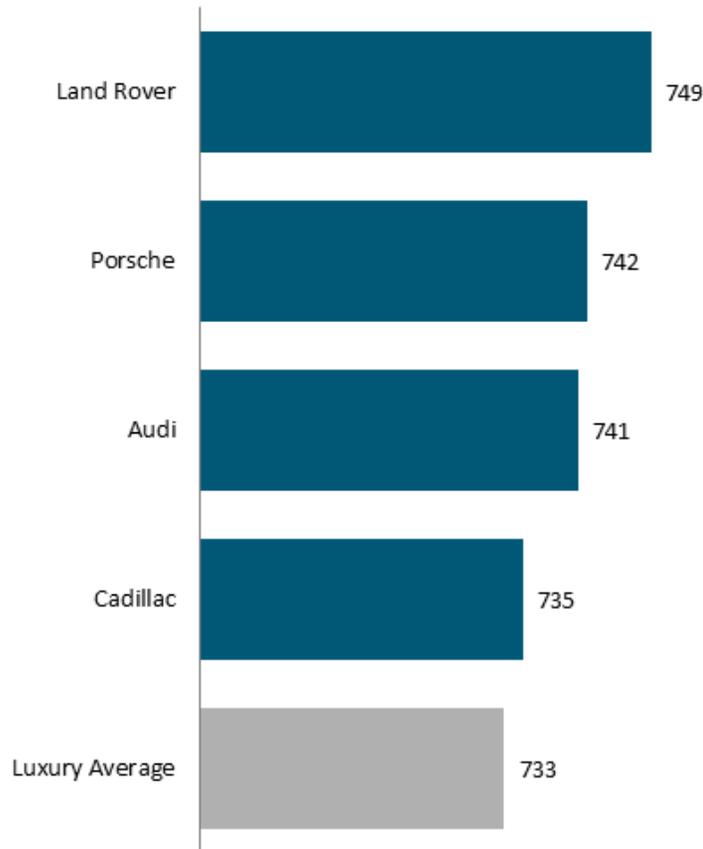
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Note: Three charts follow

J.D. Power 2016 China Automotive Performance, Execution and Layout (APEAL) StudySM

2016 Nameplate APEAL Ranking—Luxury

(Based on a 1,000-point scale)



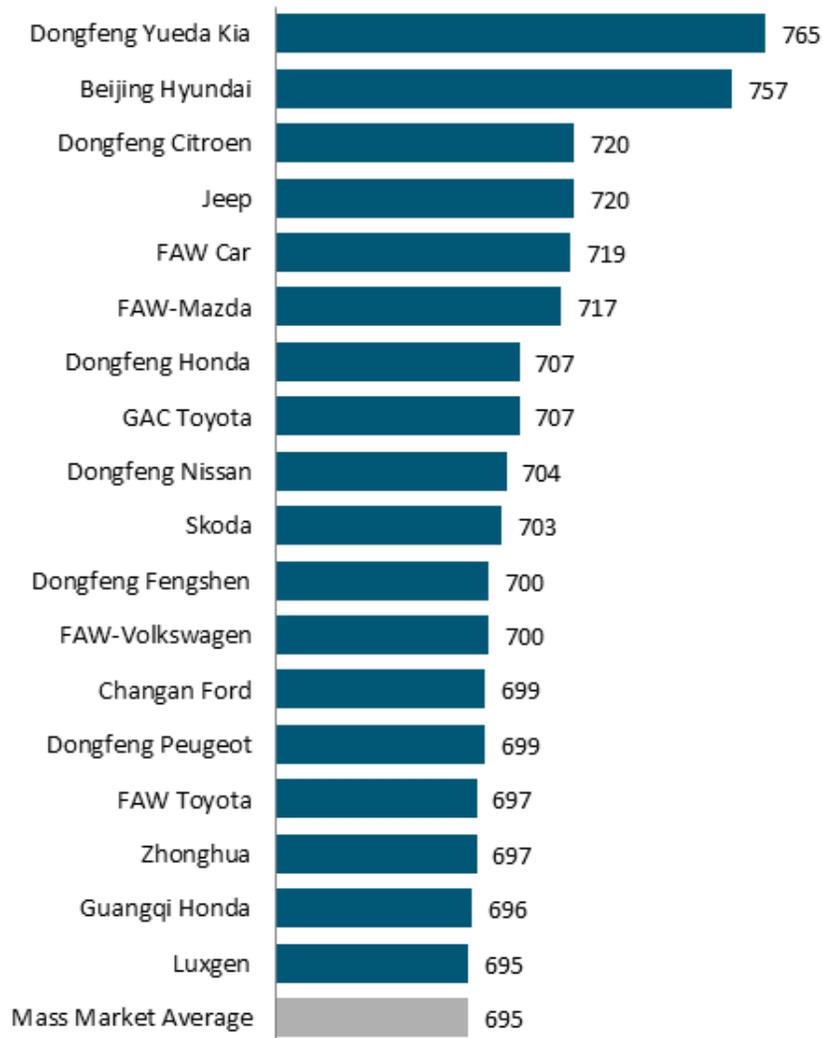
Source: J.D. Power 2016 China Automotive Performance, Execution and Layout (APEAL) StudySM

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2016 Nameplate APEAL Ranking—Mass Market

(Based on a 1,000-point scale)



Source: J.D. Power 2016 China Automotive Performance, Execution and Layout (APEAL) StudySM

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Top Three Models per Segment in APEAL

Compact Upper	Small SUV
Highest Ranked: Kia K2	Highest Ranked: Dongfeng Future Joyear X5 Dongfeng Future Joyear X3 (Tie) Zhonghua V3 (Tie)
Midsize Basic	Compact SUV
Highest Ranked: Peugeot 301 Nissan Sunny Volkswagen Santana	Highest Ranked: Kia KX3 Hyundai Tucson Hyundai ix25
Midsize	Midsize SUV
Highest Ranked: Kia K3/K3S Hyundai Langdong Elantra FAW Besturn B50	Highest Ranked: Kia Sportage R Hyundai ix35 Honda CR-V
Midsize Upper Economy	Large SUV
Highest Ranked: Kia K4 Citroen C4 L Hyundai Mistra	Highest Ranked: Hyundai Santa Fe Toyota Highlander
Midsize Upper	Compact Luxury SUV
Highest Ranked: Hyundai Sonata Kia K5 Citroen C5	Highest Ranked: Audi Q3 Lexus NX (Tie) Mercedes-Benz GLA-Class (Tie)
Compact Luxury	Midsize Luxury SUV
Highest Ranked: Audi A4L Cadillac ATS-L BMW 3 Series	Highest Ranked: Porsche Macan Cadillac SRX Mercedes-Benz GLK-Class
Midsize Luxury	
Highest Ranked: Audi A6L	

Source: J.D. Power 2016 China Automotive Performance, Execution and Layout (APEAL) StudySM

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