

Quality Gap Between Domestic and International Car Brands in China Narrows, J.D. Power Finds

Porsche, GAC Honda and Chery Rank Highest in Respective Segments

SHANGHAI: 5 Sept. 2024 – Domestic car brands in China have gradually narrowed the quality gap with international brands over the past three years, according to the J.D. Power 2024 China Initial Quality StudySM (IQS), released today. Overall, initial quality average is 212 PP100, 8 PP100 increase from 2023, with quality scores for domestic, international and premium brands scoring 216 PP100, 209 PP100 and 213 PP100, respectively. Domestic brands' performance in the driving assistance category has remained consistent the past three years, surpassing international mass market brands and premium brands noticeably, thus closing the gap.

Additionally, problems per 100 vehicles (PP100) for premium brands has risen for two consecutive years with a total increase of 21 PP100, compared to a total decrease of 10 PP100 for domestic brands. A lower score reflects higher vehicle quality.

"Compared with significant increase of new energy vehicle (NEV) problems for three consecutive years, problems with internal combustion engine (ICE) vehicles have remained relatively consistent for three years," said **Elvis Yang, general manager of the auto product practice at J.D. Power China**. "This highlights how the maturity and stability of the entire supply chain system remain the comparative advantage of traditional ICE manufacturers. However, as these manufacturers are facing constant pressure from NEVs in the increasingly competitive Chinese auto market, maintaining status quo doesn't guarantee maintaining market share. Traditional ICE manufacturers should accelerate their pace of improvement, deeply explore target users' scenario-based needs and thoroughly understand those needs for personalized experience. Doing so will help transform product characteristics into value noticeable to users."

Following are additional findings of the 2024 study:

- **Cabin comfort increasingly important:** Vehicle exterior has been the most problematic for three consecutive years among the nine problem categories, accounting for 15% of total quality complaints. The proportion of climate problems has increased for two consecutive years, with a total increase of 2 PP100. The proportion of seat problems has increased the most to 2 PP100. Similar to 2023, the categories of climate and seats each have four problems among the top 20, which indicates continuous increase in users' attention to cabin comfort.
- **Driving assistance parking cameras problematic:** Driving assistance camera problems—such as poor quality, image too small, dirty lens and bothersome alerts—have increased to 10 PP100, an increase of 2 PP100 from 2023.
- **Female drivers have more problems with ICE vehicles:** Compared with male drivers, female drivers have more quality complaints about ICE vehicles. Females have 1.2 PP100, 2.2 PP100 and 2.3 PP100 more problems than males in driving experience, infotainment and powertrain, respectively.

Highest-Ranked Brands and Models

Porsche ranks highest in initial quality among premium brands with a score of 192 PP100. **Lexus** (207 PP100) ranks second and **Cadillac** (211 PP100) ranks third.

GAC Honda ranks highest in initial quality among mass market brands for a fifth consecutive year, with a score of 195 PP100. **Dongfeng Honda** (198 PP100) ranks second and **GAC Toyota** (200 PP100) ranks third.

Chery ranks highest in initial quality among Chinese domestic brands with a score of 203 PP100. **Geely** (204 PP100) ranks second and **GAC Trumpchi** (206 PP100) ranks third.

There are 20 models from 15 brands receiving awards across 18 segments in the 2024 study.¹

- Dongfeng Honda models ranking highest in their respective segments are **Honda Civic** and **Honda Elysion**.
- GAC Honda models ranking highest in their respective segments are **Honda Fit**, **Honda Accord** and **Honda Avancier**.
- Mercedes-Benz models ranking highest in their respective segments are **Mercedes-Benz E-Class** and **Mercedes-Benz S-Class**.
- SAIC Volkswagen models ranking highest in their respective segments are **Volkswagen Lamando L** and **Volkswagen T-CROSS**.

Other models ranking highest in their respective segments are **Buick Envision S**, **Changan CS35 Plus**, **Chery Tiggo 7 Plus**, **Volkswagen Golf**, **GAC Trumpchi Emkoo**, **Land Rover Range Rover**, **Lexus NX**, **MG 5**, **Nissan Tiida**, **Porsche Macan** and **Volvo S60**.

The study, now in its 25th year and in its fifth year of synchronously launching the new IQS platform in China and the United States, measures initial vehicle quality by examining problems experienced by new-vehicle owners within the first two to six months of ownership. Overall initial quality is determined by problems cited per 100 vehicles. The study measures new-vehicle quality by examining problems in two segments: design-related problems and defects/malfunctions. Specific diagnostic questions include 218 problem symptoms across nine categories: exterior; interior; driving experience; features/controls/displays; infotainment; climate; seats; powertrain; and driving assistance.

The 2024 study is based on responses from 31,942 ICE vehicle owners who purchased their vehicle between June 2023 and March 2024. The study includes 221 models from 48 different brands and was fielded from December 2023 through May 2024 in 81 major cities across China.

To learn more about the China Initial Quality Study (IQS), please visit: china.marketing@jdpa.com.

About J.D. Power

J.D. Power is a global leader in consumer insights, advisory services and data and analytics. A pioneer in the use of big data, artificial intelligence (AI) and algorithmic modeling capabilities to understand consumer behavior, J.D. Power has been delivering incisive industry intelligence on customer interactions with brands and products for more than 55 years. The world's leading businesses across major industries rely on J.D. Power to guide their customer-facing strategies. Established in 1968, J.D. Power has offices

¹ Awards are sorted in alphabetical order.

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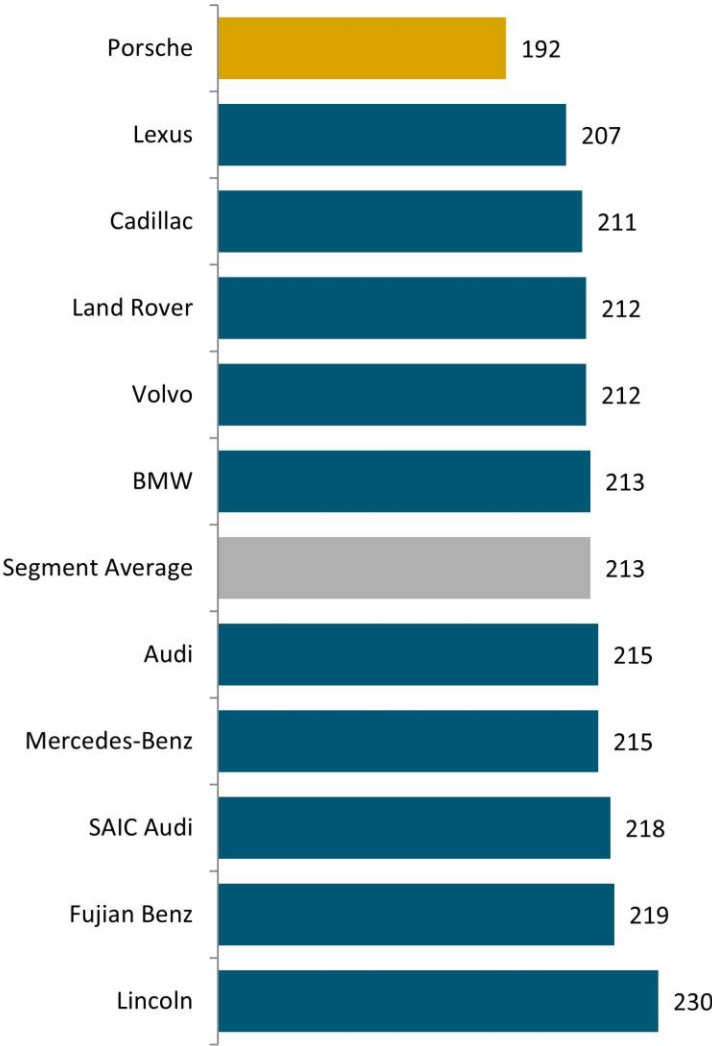
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NOTE: Seven charts follow.

J.D. Power 2024 China Initial Quality StudySM (IQS)

Premium Brands

Problems per 100 Vehicles (PP100)



Notes: Models with identical scores are sorted alphabetically.

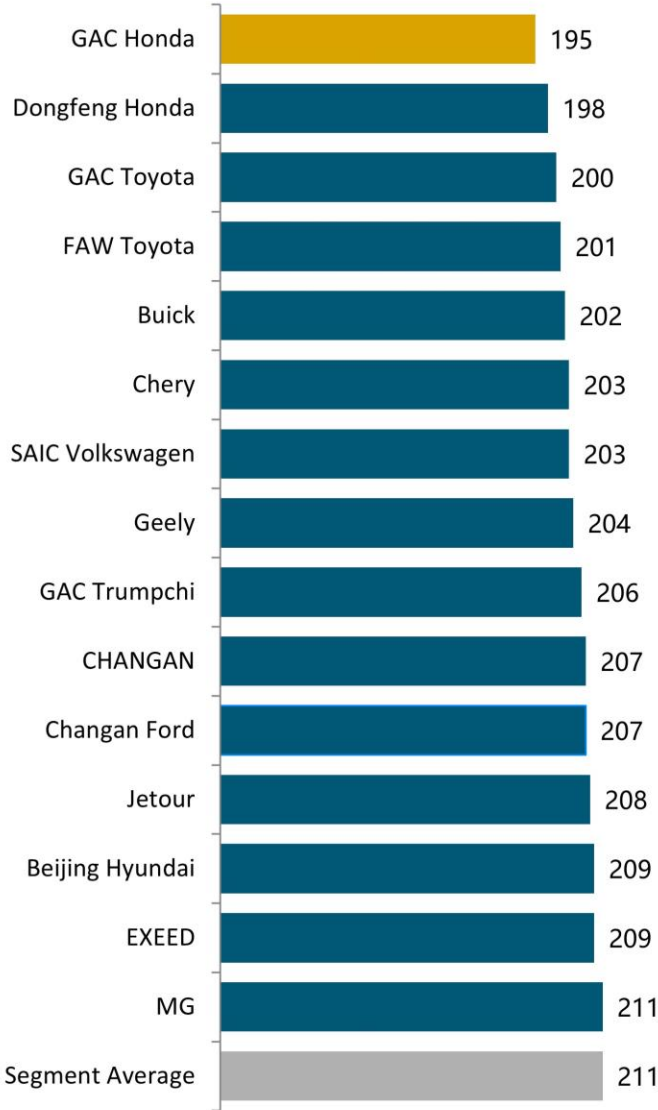
Source: J.D. Power 2024 China Initial Quality StudySM (IQS)

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J.D. Power 2024 China Initial Quality StudySM (IQS)

Mass Market Brands(1/2)

Problems per 100 Vehicles (PP100)



Notes: Models with identical scores are sorted alphabetically.

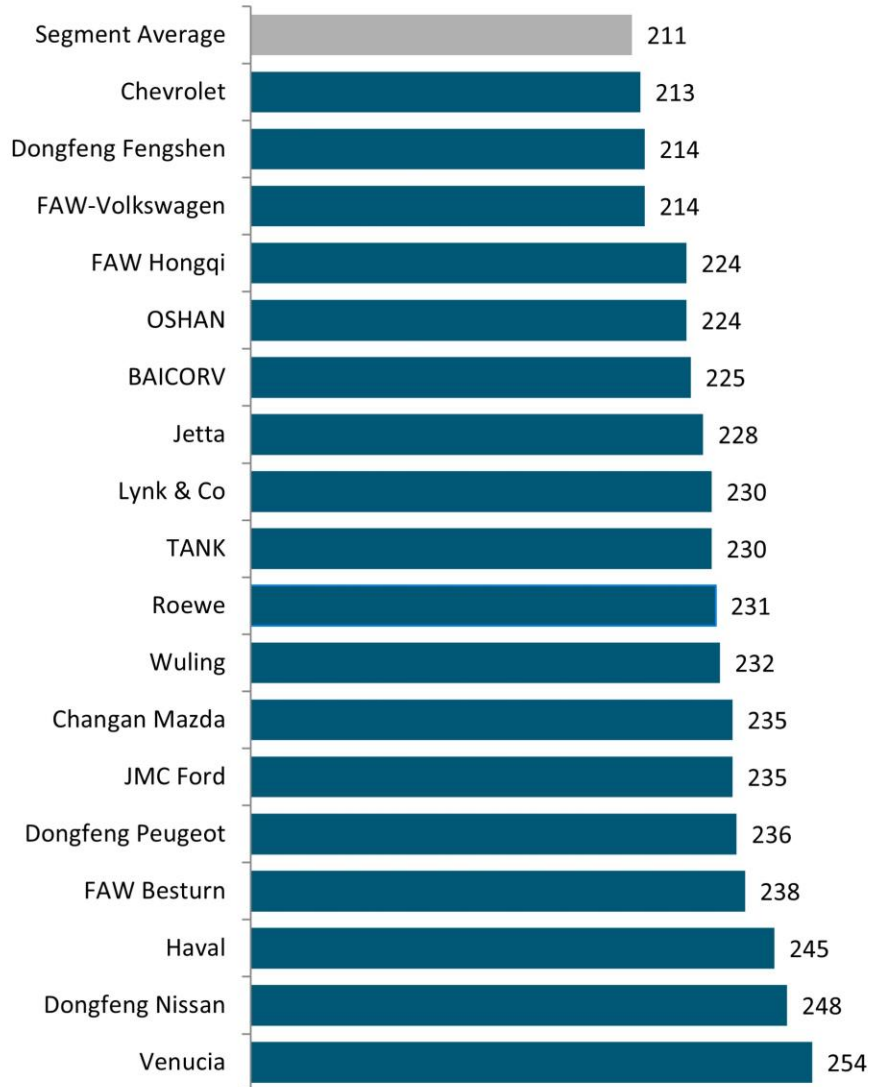
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J.D. Power 2024 China Initial Quality StudySM (IQS)

Mass Market Brands(2/2)

Problems per 100 Vehicles (PP100)



Notes: Models with identical scores are sorted alphabetically.

Brand/Segment are not ranked eligible unless they meet study criteria by J.D. Power, including small sample(n=30~99).

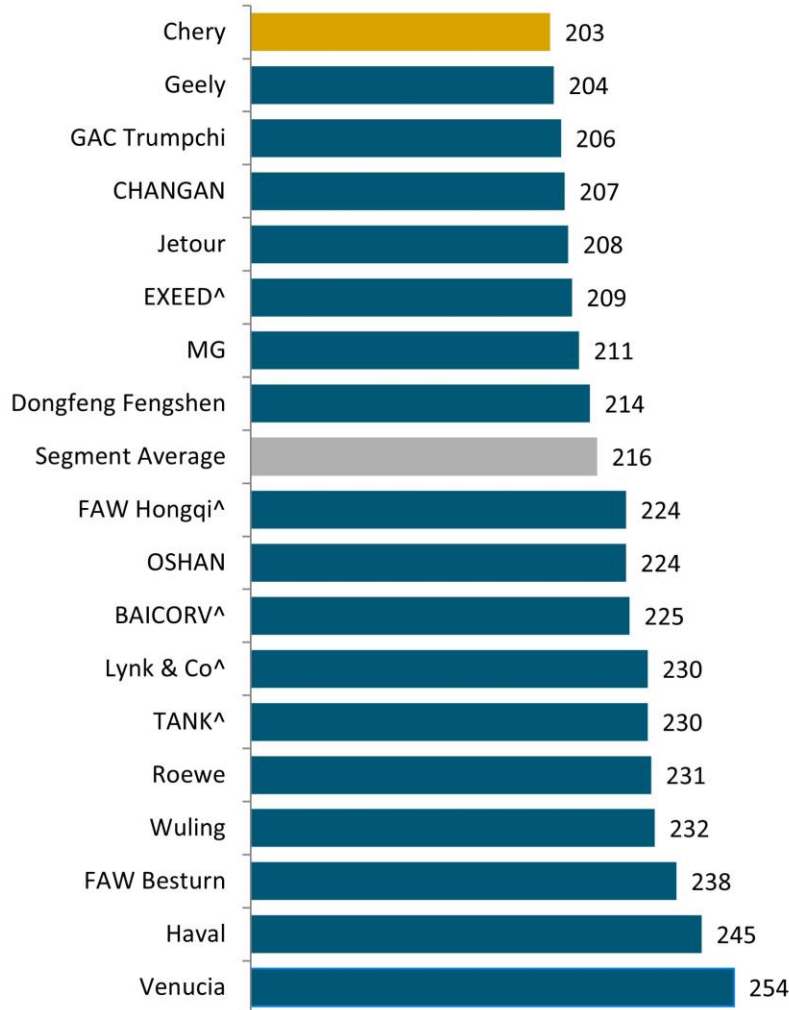
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J.D. Power 2024 China Initial Quality StudySM (IQS)

Domestic Brands

Problems per 100 Vehicles (PP100)



Notes: Brand/Segment are not ranked eligible unless they meet study criteria by J.D. Power, including insufficient sample/small sample.

^ are Chinese premium brands defined as domestic brands whose premium models contribute more than 50% of its total sales; Premium models are defined as those with an average MSRP of more than RMB 150,000.

Makes with identical scores are sorted alphabetically.

Source: J.D. Power 2024 China Initial Quality StudySM (IQS)

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J.D. Power 2024 China Initial Quality StudySM (IQS)

Top Three Models per Segment Car Segment

Compact Car *

Highest Ranked: MG 5
Second Ranked: Jetta VA3

Compact Upper Car

Highest Ranked: Honda Fit
Second Ranked: Volkswagen Polo
Third Ranked: Changan Yida

Compact Premium Car

Highest Ranked: Volvo S60
Second Ranked: BMW 4 Series
Third Ranked: Mercedes-Benz A-Class

Midsize Economy Car

Highest Ranked: Nissan Tiida
Second Ranked: Chevrolet Monza
Third Ranked: Buick Verano Pro/Pro GS

Midsize Car

Highest Ranked: Honda Civic (tie)
Highest Ranked : Volkswagen Golf (tie)
Highest Ranked : Volkswagen Lamando L (tie)

Midsize Upper Car

Highest Ranked: Honda Accord
Second Ranked: Buick LaCROSSE
Third Ranked: Honda Inspire

Midsize Premium Car

Highest Ranked: Mercedes-Benz E-Class
Second Ranked: Audi A7L
Third Ranked : Volvo S90

Large Premium Car *

Highest Ranked: Mercedes-Benz S-Class

Note: To qualify for an award in the 2024 China Initial Quality Study, models must meet these criteria: 1. Four models with at least 100 samples, or three models with at least 100 samples and with more than 80% of market share. 2. At least one model must perform better than segment average. In the large premium car segments, these criteria were not met, thus no awards have been issued.

** No other model in this segment performs above segment average.*

Source: J.D. Power 2024 China Initial Quality StudySM (IQS)

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J.D. Power 2024 China Initial Quality StudySM (IQS)

Top Three Models per Segment SUV Segments

Compact SUV

Highest Ranked: Changan CS35 Plus
Second Ranked: Geely Binyue
Third Ranked: GAC Trumpchi GS3 Yingsu

Compact Premium SUV

Highest Ranked: Lexus NX
Second Ranked: Cadillac XT4
Third Ranked: Audi Q3

Midsize SUV

Highest Ranked: GAC Trumpchi Emkoo
Second Ranked: Hyundai Tucson L
Third Ranked: Toyota Frontlander

Midsize Premium SUV

Highest Ranked: Porsche Macan
Second Ranked: Lexus RX
Third Ranked: BMW X3

Large Premium SUV

Highest Ranked: Land Rover Range Rover
Second Ranked: Porsche Cayenne
Third Ranked: Mercedes-Benz GLS-Class

Compact Upper SUV

Highest Ranked: Volkswagen T-CROSS
Second Ranked: Honda Vezel
Third Ranked: Changan CS55 Plus

Midsize Economy SUV

Highest Ranked: Chery Tiggo 7 Plus
Second Ranked: Changan UNI-T
Third Ranked: Geely BoyueX/Boyyue COOL

Midsize Upper SUV

Highest Ranked: Buick Envision S
Second Ranked: Honda CR-V
Third Ranked: EXEED Yaoguang

Large SUV

Highest Ranked: Honda Avancier
Second Ranked: Volkswagen Teramont
Third Ranked: Toyota Highlander

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J.D. Power 2024 China Initial Quality StudySM (IQS)

Top Three Models per Segment MPV Segments

Large MPV

Highest Ranked: Honda Elysion

Second Ranked: Honda Odyssey

Third Ranked: GAC Trumpchi M8

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