

### **Budgets as Important as Understanding Vehicle Product Needs, J.D. Power Finds**

Audi and Changan Ford Rank Highest in Luxury and Mass Market Segments, Respectively

**SHANGHAI: 3 July 2018** — Given most vehicle buyers in China tend to purchase cars within their budget, it is important for automotive manufacturers and dealers to recommend the best-performing cars within their budget, according to the J.D. Power 2018 China Sales Satisfaction Index (SSI) Study,<sup>SM</sup> released today.

The study shows that most new-vehicle buyers (92%) in China have set a budget before shopping, with the average purchase price nearly always falling into the buyer's pre-planned budget. Unfortunately, according to study findings, manufacturers and dealers don't discuss their customers' budgets with them in the early stages of shopping to get the "right" price, which impacts the customer experience and satisfaction. For example, only 66% of buyers say their salesperson asked about their budget during the sales process.

Buyers who use price guides as their only information source have the lowest satisfaction (663 on a 1,000-point scale), compared with buyers use other information sources. A large portion of rejecters cite various price-related reasons for not purchasing a specific model: dealer's price too high (24%); model/ make too expensive (20%); or unclear on price dealer would sell vehicle for (14%).

"Currently, vehicle buyers in China are the youngest ever measured, with 57% are younger than 33 years old, according to study findings this year. They are good at making smart and wise purchase decisions, which means looking for the best-performing cars within their budget," said **Jacob George, Vice President and General Manager, J.D. Power Asia Pacific**. "Knowing the shopper's budget is as important as understanding their vehicle product needs. Demonstrating the features and value of a vehicle within the customer's budget is the top priority for dealer sales staff."

Following are key findings of the 2018 study:

- **Satisfaction rises:** The overall sales satisfaction (651) is 11 points higher than last year. Satisfaction with Chinese domestic brands is 629, which is only two points higher than last year and which is lower than the rate of improvement industry-wide.
- **Knowledgeable, honest and attentive dealers matter:** Among the top 6 reasons customers say they "definitely would not" shop a dealer in the future, four rejection reasons relate to how the salesperson interacts with the shopper: dealer staff did not seem knowledgeable; dealer was not completely honest with me; dealer was too busy/not enough attention; and dealer staff rude/not courteous. This further emphasizes that a well-trained sales staff with good personal skills is one of the most valuable resources for dealers to have.

- **New-vehicle buyers have little knowledge of financing programs:** Few buyers (9%) indicate they have a detailed understanding of the financing program of their selling dealer, while most buyers are either just “aware” (38%) or have “little knowledge” (33%) of the programs.

### **2018 Sales Satisfaction Rankings**

**Audi** ranks highest among luxury brands, with a score of 703, marking the sixth consecutive year as the highest-ranked brand. **Porsche** ranks second with a score of 694.

**Changan Ford** ranks highest among mass market brands for the first time, with a score of 687, followed by **Beijing Hyundai** at 682.

### **About the Study**

The study, now in its 19th year, measures sales satisfaction among new-vehicle buyers and rejecters. Buyer satisfaction is based on six measures (in order of importance): delivery process (21%); salesperson (19%); dealer facility (18%); sales initiation (17%); deal (16%); and online experience (8%). Rejecter satisfaction is based on five measures (in order of importance): salesperson (26%); variety of inventory (24%); dealer facility (21%); negotiating (15%); and price fairness (14%). Scores for each measure are reflected in a combined index based on a 1,000-point scale.

The 2018 China Sales Satisfaction Index (SSI) Study is based on responses from 24,625 vehicle owners in 71 cities who purchased their new vehicle between May 2017 and March 2018. The study was fielded from November 2017 through May 2018.

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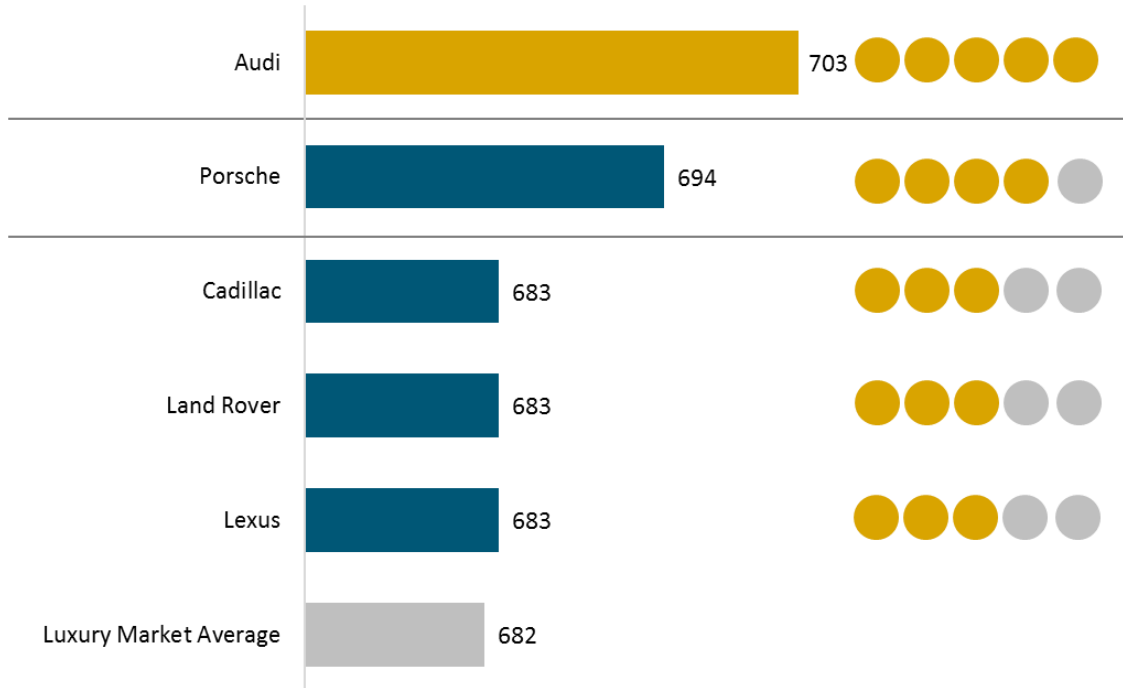
NOTE: Two charts follow.

# J.D. Power 2018 China Sales Satisfaction Index (SSI) Study<sup>SM</sup>

## Luxury Market Brands

(Based on a 1,000-point scale)

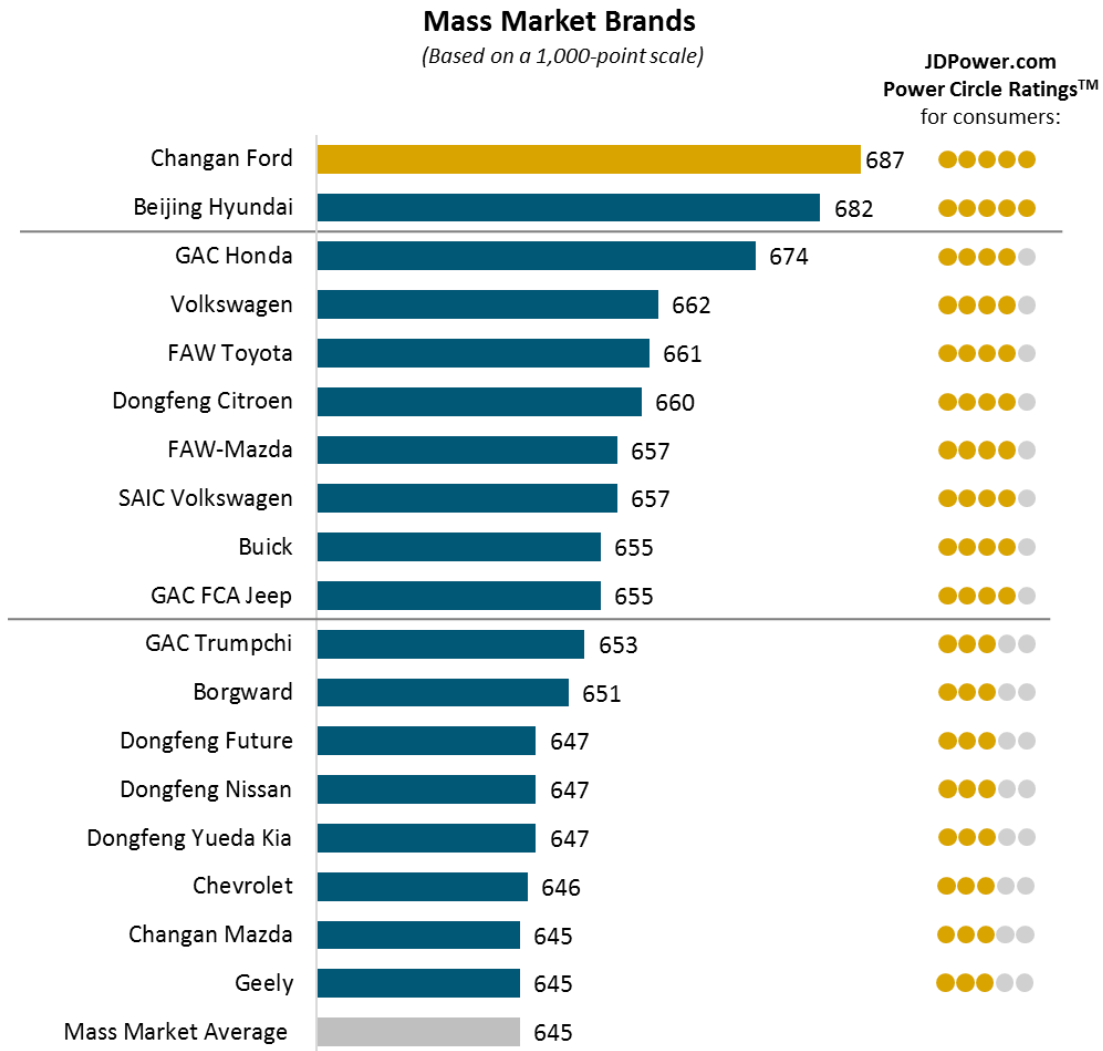
JDPower.com  
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for consumers:



Source: 2018 China Sales Satisfaction Index Study<sup>SM</sup>

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# J.D. Power 2018 China Sales Satisfaction Index (SSI) Study<sup>SM</sup>



Source: 2018 China Sales Satisfaction Index Study<sup>SM</sup>

**Power Circle Ratings Legend**

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

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