

Increase in Quality Problems with More Kilometers Driven during Initial Ownership Period, J.D. Power Finds

Honda and Yamaha Receive Two Segment-Level Awards Each; Hero and Suzuki Each Receive One Award

SINGAPORE: 8 Apr. 2019 — Instances of initial quality problems are 40% higher (an increase of 45 problems per 100 vehicles, or PP100) among owners who reported having travelled more than 3,500 kilometers on their newly purchased two-wheeler compared to owners who travelled 3,500 kilometers or less, according to the J.D. Power 2019 India Two-Wheeler Initial Quality Study,SM (2WIQS) released today.

The study finds that manufacturing/ supplier quality-related problems are higher by 30 PP100 among owners who reported having travelled more than 3,500 kilometers as compared to owners who travelled less than 3,500 kilometers. Whereas this difference is less (13 PP100) when it comes to design-related problems. A lower PP100 score reflects better quality performance.

“Deteriorating product quality can detract from customer satisfaction and confidence in the two-wheeler model across the entire ownership period,” said **Rajat Agarwal, Two-Wheeler Industry Expert at J.D. Power**. “As the industry will soon be going through a paradigm shift in technology in order to meet the BS-VI emission norms as set by the Government, OEMs can also focus on addressing concerns around sustained product quality to gain from improved word-of-mouth recommendations.”

Following are some of the key findings of the 2019 study:

- **Design quality improvement lags manufacturing quality:** While problems related to manufacturing quality have declined by 29 PP100 between 2015 and 2019, problems related to two-wheeler design have only declined by 12 PP100 in the same period.
- **Younger two-wheeler buyers experience more initial quality problems:** Almost one-third (32%) of recent two-wheeler buyers are 25 years of age or younger. These buyers cite a higher number of problems than those in the mature age group of 31 years of age or older (132 PP100 vs. 125 PP100, respectively). The difference is largely influenced by problems experienced in the brake category.
- **Increasing internet usage elevates instances of shopping around before final purchase:** Internet usage as a pre-shopping tool has increased to 20% in 2019 from 16% in 2018. Cross-shopping rates among buyers who used the internet as a pre-shopping tool were more than two times higher than among those who did not (31% vs. 13%, respectively).
- **Overall two-wheeler quality influences advocacy:** Owners who experience fewer problems than expected are more than two times more likely to recommend their two-wheeler model to family and friends, compared with those owners who experience more problems than expected (63% vs. 25%, respectively)

Study Rankings

Award recipient segments include scooters (executive and upper executive) and motorcycles (economy, executive, upper executive and premium).

- **Honda Activa I** ranks highest in the executive scooter segment with 86 PP100.
- **Suzuki Access 125** ranks highest in the upper executive scooter segment with 94 PP100.
- **Hero HF Deluxe/ Eco/ i3S** ranks highest in the economy motorcycle segment with 104 PP100.
- **Honda CB Shine** ranks highest in the executive motorcycle segment with 115 PP100.

- **Yamaha FZ/ FZS** ranks highest in the upper executive motorcycle segment with 108 PP100.
- **Yamaha YZF R15** ranks highest in the premium motorcycle segment with 86 PP100.

The 2019 India Two-Wheeler Initial Quality Study (2WIQS) is based on evaluations from 8,905 owners who purchased a new two-wheeler vehicle between March 2018 and October 2018. The study includes 85 two-wheeler models from nine makes. The study was fielded from September 2018 to December 2018 in 45 cities across India.

The study measures problems owners experienced with their new two-wheeler during the first two to six months of ownership. It examines 147 problem symptoms in seven categories (listed in order of frequency of reported problems): engine; brakes; fit and finish; lights/ electricals; ride and handling; transmission; and gauges and controls.

The study now also includes the Net Promoter Score® (NPS),¹ which measures new vehicle owners' likelihood to recommend their vehicle brand on a 0-10 point-scale.

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NOTE: One chart follows.

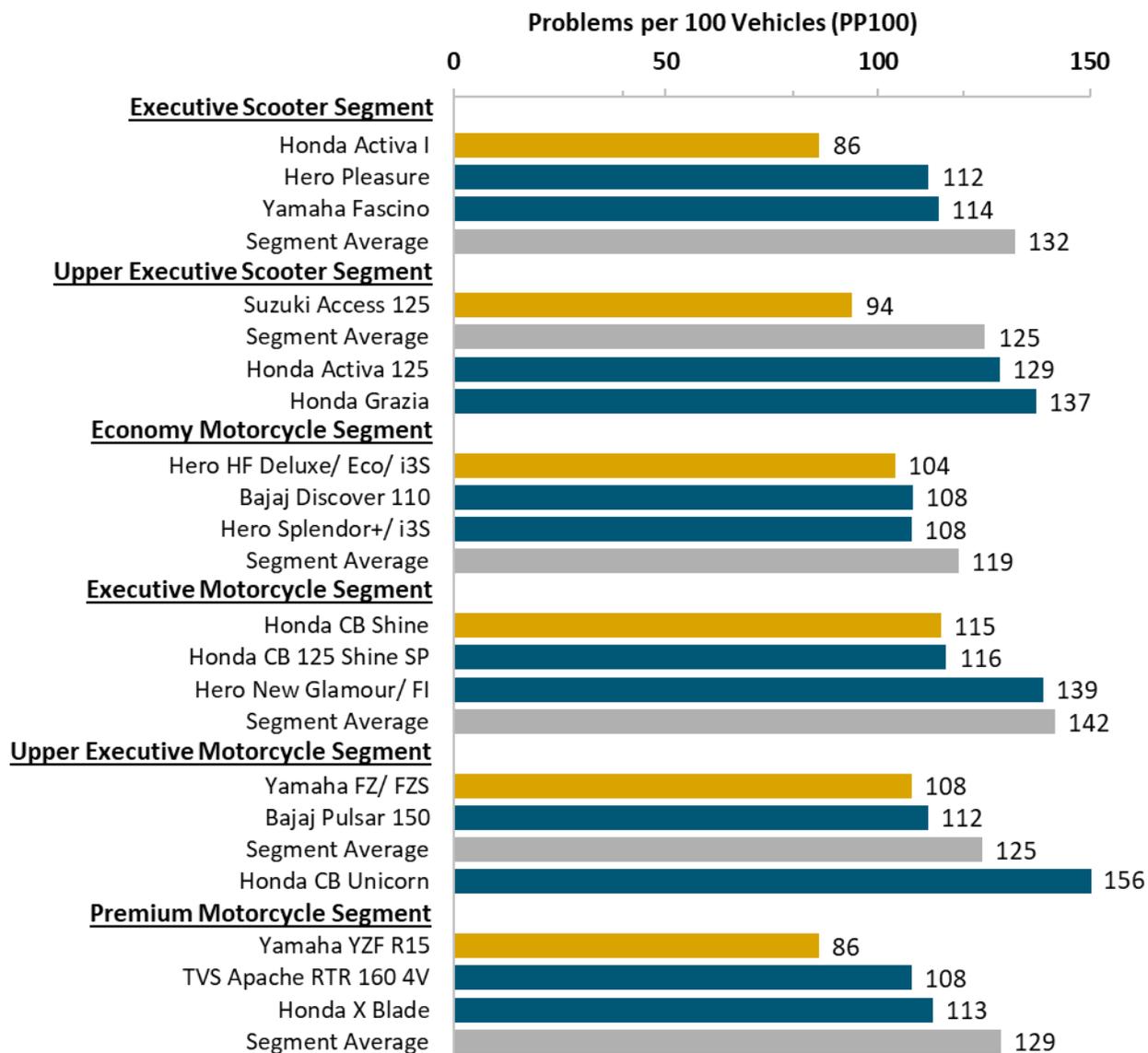
¹ Net Promoter,® Net Promoter System,® Net Promoter Score,® NPS,® and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

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2019 India Two-Wheeler Initial Quality StudySM (2WIQS)

Top Three Two-Wheelers per Segment in Initial Quality

Lower score reflects better quality performance



Note: Only the top three vehicles per segment are shown. There must be at least three models in any given award segment, and at least one with an IQS score better than segment average for an award to be presented. In the economy scooters and premium plus motorcycle segments, these criteria were not met, thus no awards have been issued.

Source: J.D. Power 2019 India Two-Wheeler Initial Quality StudySM (2WIQS)

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