

Vehicle Dependability Improvement in China Slows after Years of Significant Progress, J.D. Power Finds

21 Models from 18 Brands Rank Highest in Their Respective Segments

SHANGHAI: 20 Sept. 2018 – After years of significant progress, the momentum of vehicle dependability improvement in China is slowing down. The resolution of recurring quality problems is essential for the industry to gain back the previous levels of progress, according to J.D. Power 2018 China Vehicle Dependability StudySM (VDS), released today.

The study, now in its ninth year, measures the number of problems experienced per 100 vehicles (PP100) during the past 12 months by original owners of 30- to 48-month-old vehicles. A lower score reflects higher quality. The study covers 177 specific problems grouped into eight major vehicle categories: vehicle exterior; driving experience; features/ controls/ displays; audio/ entertainment/ navigation; seats; heating, ventilation and cooling (HVAC); vehicle interior; and engine/ transmission.

The industry-level vehicle dependability score has dramatically dropped to 156 PP100 in 2015 from 298 PP100 in 2010, when J.D. Power first released the study in China. During the past three years, however, the average industry score has shown a minor regression, increasing by 4 PP100 from 141 PP100 in 2016 to 145 PP100 in 2018.

“The deceleration of improvement indicates that the automotive industry has been entering into a critical time frame, when even tiny progress requires great effort,” said **Jeff Cai, General Manager, Auto Product, J.D. Power China**. “Frequently reported problems are the hardest to resolve for multiple reasons; however, given that what each customer experiences with vehicle dependability will very likely affect future repurchase intentions, automakers and dealers have to work together to figure out these recurring problems as soon as possible.”

Among the top 10 problems most often reported by mass market vehicle owners in the past three years, five are common problems, including front windshield wipers/ washers–broken/ not working; excessive wind noise; brakes are noisy; exterior light bulb failed; and air from vents smells unpleasant.

Following are additional findings from the 2018 study:

- **Gap remains between domestic and international brands:** The gap between the two segments is 30 PP100 this year (167 PP100 domestic and 137 PP100 international), which remains the same as in the 2017 study.
- **Domestic brands lag behind other countries in almost all problem categories:** The performance of domestic brands is worse than other brands in seven of eight problem categories, and perform only slightly better than Korean and Japanese brands in one category: audio/ communication/ entertainment/ navigation (ACEN).

Highest-Ranked Models

A total of 20 vehicle segments are eligible for awards in the 2018 China Vehicle Dependability Study. Porsche (**Macan, Cayenne**), BMW (**5 Series, 7 Series**) and Beijing Hyundai (**Mistra, Tucson**) each have two models that receive segment awards, respectively.

Other models that rank highest in their respective segments are the **smart fortwo; Chevrolet Sail; Toyota Yaris L; Volkswagen Santana; Ford Focus Classic; Kia K5; Audi A4L; Volvo S60L; Haval H2; Honda Vezel; Toyota Land Cruiser Prado; Land Rover Range Rover Evoque (Import); Baojun 730; Buick New GL8; and Changan Star.**

The 2018 study is based on the evaluations of 28,868 owners of vehicles purchased between November 2013 and November 2015. The fieldwork was conducted from November 2017 through May 2018 in 67 cities across China. For this year's study, 210 models of 61 makes across 21 vehicle segments were analyzed.

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NOTE: Two charts follow.

J.D. Power 2018 China Vehicle Dependability StudySM (VDS)

Top Three Models per Segment Segment Average and Above *Car Segment*

<p>Compact Mini</p> <p>Highest Ranked: smart fortwo BYD F0 Changan Benni</p>	<p>Midsize Upper Economy</p> <p>Highest Ranked: Hyundai Mistra Kia K4 MINI</p>
<p>Compact</p> <p>Highest Ranked: Chevrolet Sail Geely Freedom Ship Chery Fulwin2</p>	<p>Midsize Upper</p> <p>Highest Ranked: Kia K5 Honda Accord (Old) Chevrolet Malibu</p>
<p>Compact Upper</p> <p>Highest Ranked: Toyota Yaris L Ford Fiesta Hyundai Verna</p>	<p>Compact Luxury*</p> <p>Highest Ranked: Audi A4L (tie) Volvo S60L (tie)</p>
<p>Midsize Basic</p> <p>Highest Ranked: Volkswagen Santana Roewe 350 Skoda Rapid</p>	<p>Midsize Luxury*</p> <p>Highest Ranked: BMW 5 Series Cadillac XTS</p>
<p>Midsize</p> <p>Highest Ranked: Ford Focus Classic Toyota Corolla Ford Escort</p>	<p>Large Luxury*</p> <p>Highest Ranked: BMW 7 Series Mercedes-Benz S-Class</p>

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

Note: To qualify for an award in the 2018 China Vehicle Dependability 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 Midsize MPV segment, these criteria were not met, thus no awards have been issued.

Source: J.D. Power 2018 China Vehicle Dependability StudySM (VDS)

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J.D. Power 2018 China Vehicle Dependability StudySM (VDS)

Top Three Models per Segment Segment Average and Above *SUV, MPV, Van Segments*

Small SUV Highest Ranked: Haval H2 Haval H1 Haima S5	Midsize Luxury SUV Highest Ranked: Porsche Macan Lexus RX BMW X3
Compact SUV Highest Ranked: Honda Vezel Honda XR-V Hyundai ix25	Large Luxury SUV* Highest Ranked: Porsche Cayenne Audi Q7
Midsize SUV Highest Ranked: Hyundai Tucson Toyota RAV4 Ford Kuga (tie) Peugeot 3008 (tie)	Compact MPV* Highest Ranked: Baojun 730 Dongfeng Future Joyear
Large SUV Highest Ranked: Toyota Land Cruiser Prado Hyundai Santa Fe Honda Crosstour	Large MPV* Highest Ranked: Buick New GL8
Compact Luxury SUV* Highest Ranked: Land Rover Range Rover Evoque (Import)	Mini Van* Highest Ranked: Changan Star Dongfeng Xiaokang K

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

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