



Press Release

J.D. Power and Associates Reports: Despite Difficult Market Conditions, Auto Manufacturers Increase Customer Satisfaction With the New-Vehicle Sales Process for a Third Consecutive Year

Jaguar Ranks Highest in Satisfying Customers with the New-Vehicle Sales Process

WESTLAKE VILLAGE, Calif.: 19 November 2008 — Despite an increasingly tumultuous automotive market, customer satisfaction with the new-vehicle sales process has steadily increased since 2005, according to the J.D. Power and Associates 2008 Sales Satisfaction Index (SSI) StudySM released today.

Now in its 22nd year, the study is a comprehensive analysis of the new-vehicle purchase experience. Overall customer satisfaction is measured based on five factors: dealership facility; salesperson; paperwork/finance process; delivery process; and vehicle price.

“A poor customer experience over the phone, e-mail or at the dealership not only leads to a loss in potential sales, but also has a detrimental impact on repeat business,” said Tom Gauer, senior director of automotive retail research at J.D. Power and Associates. “Customers who are disappointed with their sales experience are nearly three times less likely to return to their dealer for vehicle service. These customers also tell an average of six people to avoid shopping at that particular dealership. Ensuring a pleasant shopping experience is absolutely critical in surviving today’s challenging auto market.”

Overall satisfaction across the industry has increased for a third consecutive year—up from 842 points on a 1,000-point scale in 2005 to 857 points in 2008. The five-point increase from 2007 to 2008 is primarily driven by improvements in dealership facility and delivery process. Additionally, more than 90 percent of brands examined in the study improved their overall satisfaction score in 2008 compared with 2007.

“The year-over-year industry improvements truly speak to the level of effort that manufacturers and dealers are putting toward providing a highly satisfying experience for their customers,” said Gauer. “While the industry overall performs well, premium nameplates in particular dominate the SSI rankings—outperforming non-premiums by an average of 34 points.”

Jaguar ranks highest in satisfying buyers with the new-vehicle sales process, improving 14 points from 2007 to a score of 907 in 2008. Jaguar performs particularly well in the paperwork/finance and delivery process factors. Following Jaguar in the rankings are HUMMER, Lexus, Cadillac and Mercedes-Benz, respectively, to round out the top five nameplates.

While the percentage of consumers who use the Internet to shop for their new-vehicle has steadily increased, consumers using the Web report lower satisfaction levels compared with those who do not. According to the 2008 J.D. Power and Associates New Autosopper.com StudySM, 75 percent of consumers use the Internet to shop for their new vehicle, which is up from 70 percent in 2007. However, consumers using the Web experience satisfaction scores averaging 851 points, while those who do not use the Web have satisfaction scores averaging 873 points.

“Those consumers who conduct research on the Internet before visiting a dealer are generally more knowledgeable about the vehicles they are shopping for,” said Gauer. “Consumers are using the Internet to find information about price, to help decide which make or model to buy and to determine which dealership to visit. This sets a level of expectation before the consumer even steps on the dealer lot. Dealers must react to this by not only making sure the information on the Web regarding their business is as up-to-date and valid as possible, but by also making sure that their staff members are conversant with the information provided. This will ensure the Internet is a valuable tool for enhancing satisfaction and driving customers into the dealership.”

While price is the key reason for choosing a particular dealership, convenient location is an increasingly important reason among consumers. In 2008, 26 percent of consumers mention convenient location as a key reason for choosing to buy from their dealer, which is up from 24 percent in 2007 and 23 percent in 2006.

The study also finds the following trends:

- Nearly 35 percent of new-vehicle buyers request pricing information via phone or e-mail before selecting a dealership to visit. However, 20 percent of new-vehicle buyers choose not to visit a particular dealer based on these phone or e-mail interactions.
- Customers who are delighted with their purchase experience make an average of five positive recommendations regarding their new vehicle. In contrast, those that are disappointed tell at least two people to avoid buying the same vehicle.
- Among customers who leave a new-vehicle dealership without making a purchase, 40 percent cite poor treatment as the primary reason. Conversely, “hassle-free” negotiation is a leading reason why buyers choose to purchase from one dealer compared with another dealer.

The 2008 Sales Satisfaction Index Study is based on responses from 35,805 new-vehicle buyers who purchased or leased their vehicles in May 2008. The study was fielded in August and September 2008. To view ratings on customer satisfaction with the new-vehicle sales process, visit JDPower.com.

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company operating in key business sectors including market research, forecasting, performance improvement, training and customer satisfaction. The company’s quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more, please visit JDPower.com. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

About The McGraw-Hill Companies

Founded in 1888, The McGraw-Hill Companies (NYSE: MHP) is a leading global information services provider meeting worldwide needs in the financial services, education and business information markets through leading brands such as Standard & Poor’s, McGraw-Hill Education, *BusinessWeek* and J.D. Power and Associates. The Corporation has more than 280 offices in 40 countries. Sales in 2007 were \$6.8 billion. Additional information is available at <http://www.mcgraw-hill.com>.

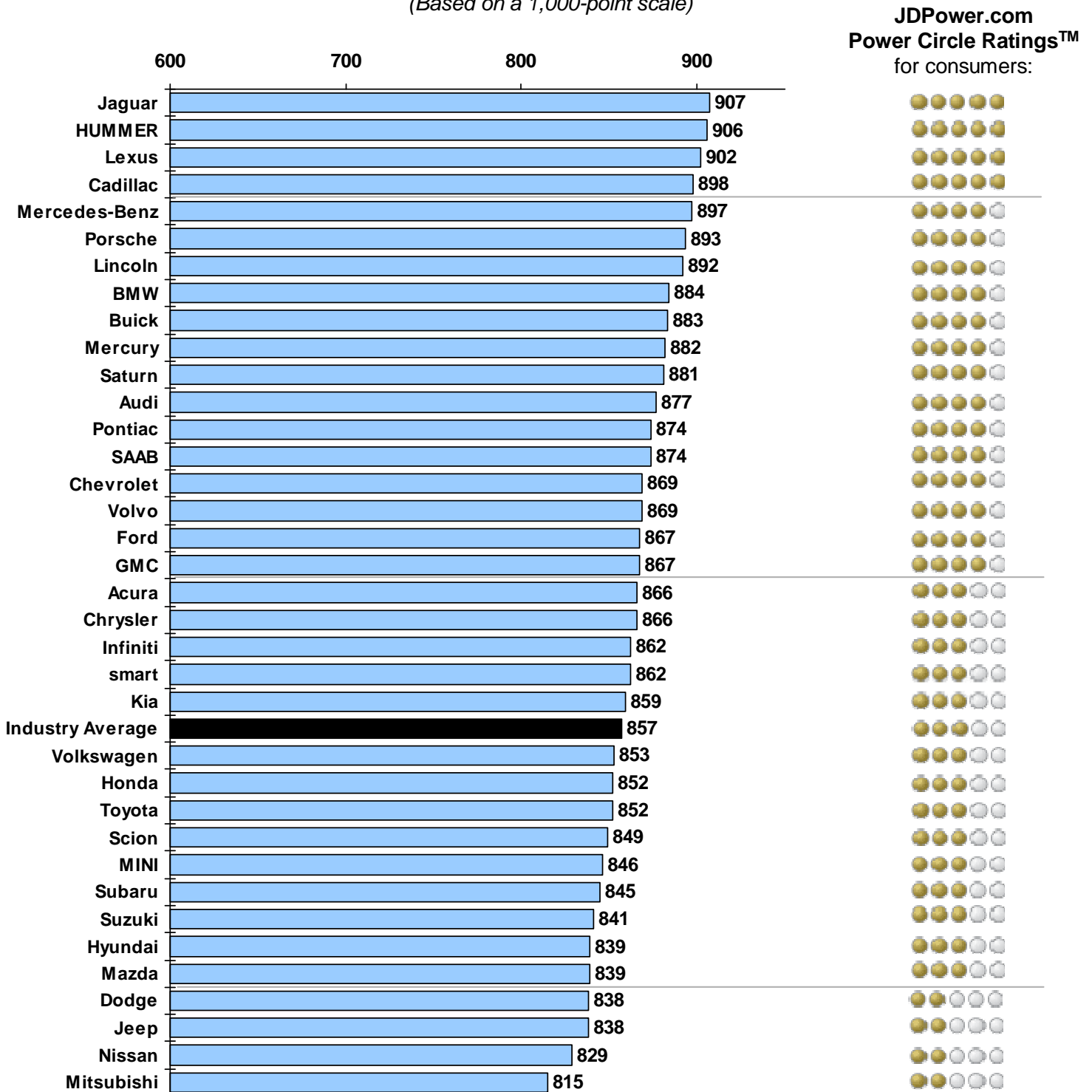
#

(Page 2 of 2)

NOTE: One chart follows.

J.D. Power and Associates 2008 Sales Satisfaction Index (SSI) StudySM

Customer Satisfaction Index Ranking (Based on a 1,000-point scale)



Power Circle Ratings Legend

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

Included in the study but not ranked due to small sample size are: Isuzu and Land Rover.

Source: J.D. Power and Associates 2008 Sales Satisfaction Index (SSI) StudySM

Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power and Associates as the publisher and the J.D. Power and Associates 2008 Sales Satisfaction Index (SSI) StudySM as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. JDPower.com Power Circle RatingsTM are derived from consumer ratings in J.D. Power studies. For more information on Power Circle Ratings,