

U.S. New-Vehicle Quality Makes Largest Improvement in 7 Years, J.D. Power Study Finds

Kia Ranks Highest among Nameplates, Ending 27-Year Reign for Premium Brands

DETROIT: 22 June 2016 — New-vehicle quality improves 6%, double the 3% rate of improvement in 2015 and the largest increase since 2009, according to the J.D. Power 2016 U.S. Initial Quality StudySM (IQS), released today.

The study, now in its 30th year, examines problems experienced by vehicle owners during the first 90 days of ownership. Initial quality is determined by the number of problems experienced per 100 vehicles (PP100), with a lower score reflecting higher quality.

Quality improves across all eight problem categories measured in the study, with 21 of the 33 brands included in the study improving their quality in 2016 and one remaining the same.

“Manufacturers are currently making some of the highest quality products we’ve ever seen,” said **Renee Stephens, vice president of U.S. automotive quality at J.D. Power**. “Tracking our data over the past several years, it has become clear that automakers are listening to the customer, identifying pain points and are focused on continuous improvement. Even as they add more content, including advanced technologies that have had a reputation for causing problems, overall quality continues to improve.”

Following are some of the study’s key findings:

- **U.S. Domestic Automakers Show Strong Improvement:** For just the second time in the 30-year history of the study, U.S. domestic brands collectively have lower problem levels than all their import counterparts combined. All three U.S. domestic automakers post year-over-year quality improvements. The “Detroit Three” achieve a combined average of 103 PP100, improving 10% from 2015, which is double the improvement rate of the import brands at 106 PP100. The last time U.S. domestic brands outpaced imports was in 2010, when they held a 1 PP100 advantage (108 PP100 vs. 109 PP100, respectively).
- **Non-Premium Brands Have Fewer Problems:** For the first time since 2006, non-premium brands have fewer problems (104 PP100) than premium brands (108 PP100).
- **High Quality = High Loyalty:** Expected reliability remains the most important consideration when purchasing a new vehicle, cited by 49% of owners. J.D. Power has studied consumer behavior from when they purchase or lease their new vehicle through when they are back in the market for their next vehicle in order to measure the impact initial quality has on brand loyalty.¹ Among owners who experience no problems with their vehicle in the first 90 days, 54% stay with the same brand for their next vehicle. Loyalty drops to 50% among owners who experience one problem with their vehicle and to 45% among those who experience three or more problems.

¹ Sources: J.D. Power U.S. Initial Quality Study,SM 2006-2016 and *Power Information Network® (PIN)* from J.D. Power.

“There is a direct correlation between the number of problems a customer has with their new vehicle and the decisions they make when it comes time to purchase or lease their next car or truck,” said Stephens. “While a small drop in actual loyalty may not sound like much, a percentage point drop in share can mean millions of dollars in lost revenue to an automaker.”

Highest-Ranked Nameplates and Models

Kia ranks highest in initial quality with a score of 83 PP100, the first time in 27 years that a non-premium brand has topped the rankings. It is also the second consecutive year that Kia, which ranked second in 2015, has led all non-premium makes in initial quality.

Porsche (84 PP100) ranks second among nameplates, followed by **Hyundai** (92 PP100), **Toyota** (93 PP100) and **BMW** (94 PP100).

Chrysler and **Jeep** are the most improved brands, each reducing the number of problems by 28 PP100 from 2015.

General Motors receives seven model-level awards, followed by **Toyota Motor Corporation** with six and **Hyundai Motor Company** and **Volkswagen AG**, each with four.

- General Motors models that rank highest in their respective segments are the Buick Cascada; Chevrolet Equinox; Chevrolet Silverado HD; Chevrolet Silverado LD; Chevrolet Spark; Chevrolet Tahoe; and GMC Terrain.
- Toyota Motor Corporation models that rank highest in their segment are the Lexus CT; Lexus GS; Scion tC; Toyota Camry; Toyota Corolla; and Toyota Highlander.
- Hyundai Motor Company models that rank highest in their segment are the Hyundai Accent; Hyundai Azera; Kia Soul; and Kia Sportage.
- Volkswagen AG models that rank highest in their segment are the Audi Q3, Audi TT, Porsche Macan and Porsche 911.

Plant Quality Awards

Toyota Motor Corporation’s Georgetown 3 (Kentucky) plant, which produces the Lexus ES, and its Kyushu 2 (Japan) plant, which produces the Lexus ES and Lexus RX, each receive the Platinum Plant Quality Award in a tie for producing models with the fewest defects or malfunctions. Plant quality awards are based solely on defects and malfunctions and exclude design-related problems.

Porsche’s Stuttgart (Germany) plant, which produces the Porsche 911 and Porsche Boxster, receives the Gold Plant Quality Award in the Europe/Africa region.

The 2016 U.S. Initial Quality Study is based on responses from more than 80,000 purchasers and lessees of new 2016 model-year vehicles surveyed after 90 days of ownership. The study is based on a 233-question battery organized into eight problem categories designed to provide manufacturers with information to facilitate the identification of problems and drive product improvement. The study was fielded from February through May 2016.

Find detailed information on vehicle quality, as well as model photos and specs, at jdpower.com/quality

For more information about the 2016 U.S. Initial Quality Study, visit <http://www.jdpower.com/resource/us-initial-quality-study-iqs>

See the online press release at <http://www.jdpower.com/press-releases/2016-us-initial-quality-study-iqs>

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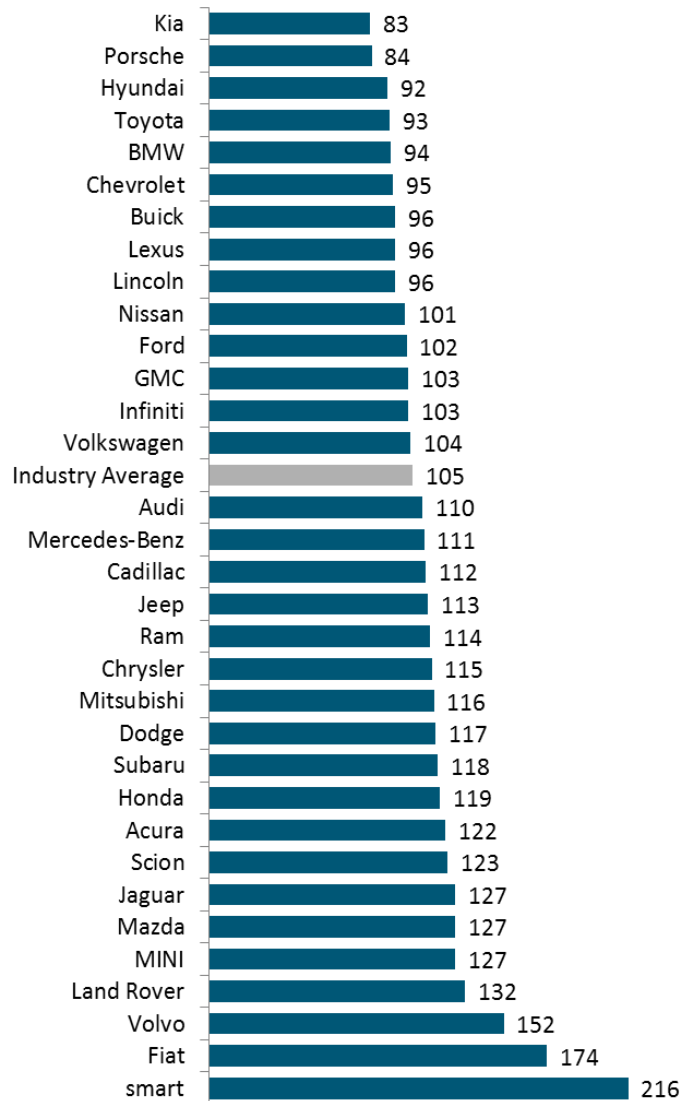
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NOTE: Five charts follow.

J.D. Power 2016 U.S. Initial Quality StudySM (IQS)

2016 Nameplate IQS Ranking

Problems per 100 Vehicles (PP100)



Source: J.D. Power 2016 U.S. Initial Quality StudySM (IQS)

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2016 U.S. Initial Quality StudySM (IQS)

Top Three Models per Segment
Car, MPV, Van Segments

City Car* Highest Ranked: Chevrolet Spark	Compact Sporty Car Highest Ranked: Buick Cascada (tie) Scion tC (tie) Hyundai Veloster
Small Car Highest Ranked: Hyundai Accent Chevrolet Sonic Kia Rio	Compact MPV* Highest Ranked: Kia Soul
Small Premium Car Highest Ranked: Lexus CT BMW 2 Series Mercedes-Benz CLA-Class	Compact Premium Car Highest Ranked: Lincoln MKZ Lexus ES BMW 3 Series
Compact Car Highest Ranked: Toyota Corolla Kia Forte Hyundai Elantra	Compact Premium Sporty Car Highest Ranked: Audi TT Porsche Boxster Porsche Cayman

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

**For more detailed findings on vehicle quality and dependability performance,
visit www.jdpower.com/quality**

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Top Three Models per Segment
Car, MPV, Van Segments (continued)

Midsized Car

Highest Ranked: Toyota Camry

Nissan Altima
Honda Accord

Midsized Sporty Car*

Highest Ranked: Dodge Challenger

Minivan*

Highest Ranked: Chrysler Town & Country

Dodge Grand Caravan

Midsized Premium Car

Highest Ranked: Lexus GS

Audi A7
Hyundai Genesis

Midsized Premium Sporty Car*

Highest Ranked: Porsche 911

Large Car

Highest Ranked: Hyundai Azera

Buick LaCrosse
Chevrolet Impala

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

Note: There must be at least three models with 80% of market sales in any given award segment for an award to be presented. The Large Premium Car segment did not meet criteria to be award eligible, thus no awards will be issued.

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Top Three Models per Segment *SUV, Pickup Segments*

Small SUV Highest Ranked: Kia Sportage Hyundai Tucson Buick Encore	Midsized Pickup Highest Ranked: Nissan Frontier GMC Canyon Chevrolet Colorado
Small Premium SUV* Highest Ranked: Audi Q3 BMW X1	Large SUV Highest Ranked: Chevrolet Tahoe Toyota Sequoia Ford Expedition
Compact SUV Highest Ranked: Chevrolet Equinox (tie) GMC Terrain (tie) Ford Escape	Large Premium SUV Highest Ranked: Lincoln Navigator Infiniti QX80 Land Rover Range Rover
Compact Premium SUV Highest Ranked: Porsche Macan Lincoln MKC BMW X3	Large Light Duty Pickup* Highest Ranked: Chevrolet Silverado LD GMC Sierra LD
Midsized SUV Highest Ranked: Toyota Highlander Kia Sorento Nissan Murano	Large Heavy Duty Pickup Highest Ranked: Chevrolet Silverado HD Ford Super Duty GMC Sierra HD
Midsized Premium SUV Highest Ranked: BMW X5 BMW X6 Lexus RX	

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

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2016 Plant Assembly Line Quality Award Recipients

Based on Models Produced for U.S. Market

	Problems per 100 Vehicles (Defects/Malfunctions Only)	Model(s) Produced at Plant
Platinum Award		
Toyota Motor Corporation—Georgetown 3, KY (TMMK)	15	Lexus ES
Toyota Motor Corporation—Kyushu 2, Japan (TMK)	15	Lexus ES, Lexus RX
North/South America*		
Toyota Motor Corporation—Lafayette B, IN (SIA) <i>Silver</i>	21	Toyota Camry
BMW AG—Spartanburg, SC 02, SC <i>Silver</i>	21	BMW X5, BMW X6
Asia Pacific*		
Toyota Motor Corporation—Motomachi 1, Japan <i>Silver</i>	16	Lexus GS
Kia Motors Corporation—Kwangju Plant 1, Korea <i>Bronze</i>	18	Kia Soul
Europe and Africa		
Porsche AG—Stuttgart, Germany <i>Gold</i>	19	Porsche 911, Porsche Boxster
Audi AG—Matorell, Spain <i>Silver</i>	21	Audi Q3
Audi AG—Gyor, Hungary <i>Bronze</i>	22	Audi A3, Audi TT

**Because Toyota Motor Corporation is awarded the Platinum Plant Quality Award, which represents the highest-performing assembly plant in the world for initial quality, no Gold Plant Quality Award is issued for North/South America or Asia Pacific.*

Source: J.D. Power 2016 U.S. Initial Quality StudySM

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