J.D. POWER

Press Release

While Lexus and Porsche Rank Highest in Vehicle Dependability, Excellent Long-Term Quality Isn't Exclusive to Luxury Brands, J.D. Power Finds

Toyota Motor Corporation Models Receive 10 Segment Awards; General Motors Receives Four

COSTA MESA, Calif.: EMBARGOED UNTIL 10 AM ET 22 Feb. 2017 — While Lexus and Porsche nameplates lead the industry in vehicle dependability, owners of many high-volume vehicles are also rewarded with excellent long-term quality, according to the J.D. Power 2017 Vehicle Dependability Study℠ (VDS), released today.

The study, now in its 28th year, examines problems experienced during the past 12 months by original owners of 2014 model-year vehicles. Overall dependability is determined by the number of problems experienced per 100 vehicles (PP100), with a lower score reflecting higher quality. The study covers 177 specific problems grouped into eight major vehicle categories.

The study finds that the 10 top-selling 2014 model-year vehicles average 134 PP100, which is significantly better than the industry average of 156 PP100. Two perennial best sellers—the Ford F-150 and the Toyota Camry—also lead their segments in the VDS this year.

"We find buyers are increasingly avoiding models with poor reputations for dependability, so manufacturers can't afford to let quality slip, particularly on their best sellers," said **Dave Sargent, vice president, global automotive at J.D. Power.** "While many expensive and niche vehicles do have excellent quality, the fact is that most consumers are shopping in the high-volume mainstream segments. The good news is that consumers don't have to spend a lot of money to get a very dependable vehicle."

J.D. Power finds that in addition to impacting purchase decisions and brand loyalty, better long-term quality is a key factor in contributing to higher residual values for vehicles. For example, J.D. Power estimates that Toyota—the highest-ranked non-premium brand in the study—has a residual values benefit of more than $750 per vehicle, compared with the average brand. This translates into a benefit of more than $1.3 billion for the 2014 model year alone.

"In the current industry environment of record levels of leasing and long-term loans, higher residual values allow automakers to provide more competitive deals to buyers," said **Jonathan Banks**, **vice president of vehicle analysis and analytics at J.D. Power**. "This creates the opportunity to achieve higher market share and/or elevated profit margins."

Highest-Ranked Nameplates and Models

Lexus and Porsche tie to rank highest in vehicle dependability among all nameplates, with a score of 110 PP100. This is the sixth consecutive year of Lexus topping the nameplate rankings in the VDS.

- **Toyota** (123 PP100) follows in the rankings, moving up one rank position from 2016.
- Following Toyota in the rankings are **Buick** (126 PP100) and **Mercedes-Benz** (131 PP100).
- **Hyundai** (133 PP100) is the most improved nameplate in the study, improving by 25 PP100 from 2016. At sixth position (up from 19th in 2016), this is Hyundai's best-ever ranking in the VDS.

- Other notable improvements include **Dodge** and **Ford**, which both improve by 21 PP100 from 2016, and **Land Rover**, which improves by 20 PP100.

Toyota Motor Corporation models receive 10 of the 18 segment awards, representing the highest number of awards ever received by an individual corporation in the study. These awardees are Lexus ES; Lexus GS; Lexus RX; Toyota Avalon; Toyota Camry; Toyota FJ Cruiser; Toyota Prius; Toyota Prius v; Toyota Sienna; and Toyota Venza. The Toyota Camry has the lowest PP100 score industry-wide.

General Motors models receive four segment awards for the Chevrolet Camaro; Chevrolet Sonic; Chevrolet Silverado HD; and Chevrolet Tahoe.

Other models receiving segment awards in the study are the Ford F-150; Honda Ridgeline; Mercedes-Benz GLK-Class; and Volkswagen Tiguan.

Other Key Findings

- Continuing increases in technology-related problems have contributed to dependability worsening in the industry for a second consecutive year. The industry average of 156 PP100 is a 4 PP100 increase from 2016.
- The Audio/Communication/Entertainment/Navigation (ACEN) category continues to be the most problematic area, accounting for 22% of all problems reported—up from 20% last year.
- For a third consecutive year, the problems most reported by owners are Bluetooth pairing/connectivity and built-in voice recognition misinterpreting commands.
- New to the top 10 list of problems reported in 2017 is battery failure. In fact, 44% more owners report a battery failure this year than in 2016. Batteries are the most frequently replaced component not related to normal wear and tear in 3-year-old vehicles at 6.1%—up 1.3 percentage points from 2016.

The 2017 U.S. Vehicle Dependability Study is based on responses from 35,186 original owners of 2014 model-year vehicles after three years of ownership. The study was fielded from October through December 2016.

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

J.D. Power is a global leader in consumer insights, advisory services and data and analytics. Those capabilities enable J.D. Power to help its clients drive customer satisfaction, growth and profitability. Established in 1968, J.D. Power is headquartered in Costa Mesa, Calif., and has offices serving North/South America, Asia Pacific and Europe.

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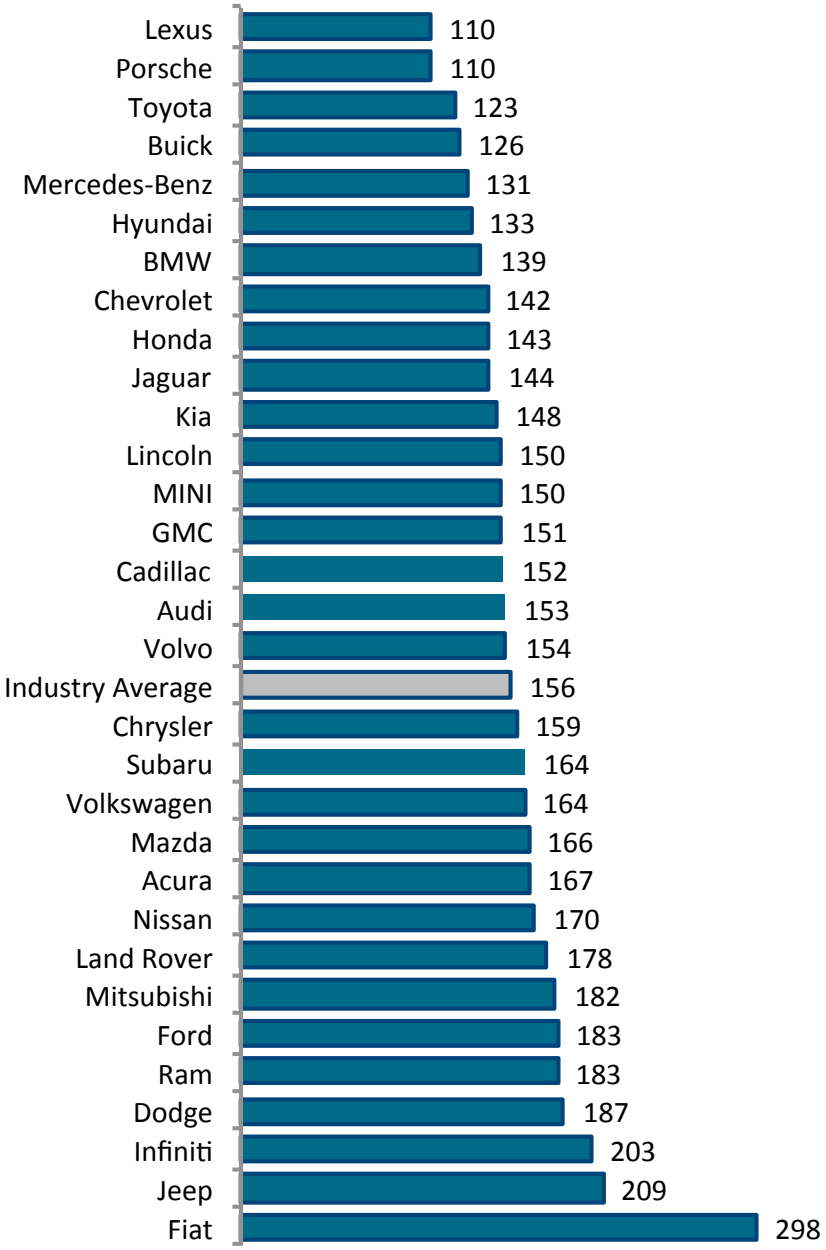
J.D. Power
2017 U.S. Vehicle Dependability Study℠ (VDS)

2017 Nameplate VDS Ranking

Problems per 100 Vehicles (PP100)



Note: ***Smart is included in the study but not ranked due to small sample size.***

Source: J.D. Power 2017 U.S. Vehicle Dependability Study℠ (VDS)

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Top Three Models per Segment

Car Segments

Small Car*

Highest Ranked: Chevrolet Sonic
Nissan Versa

Compact Car

Highest Ranked: Toyota Prius
Buick Verano (tie)
Honda Civic (tie)

Compact Premium Car

Highest Ranked: Lexus ES
Mercedes-Benz C-Class
Acura ILX

Midsize Car

Highest Ranked: Toyota Camry
Chevrolet Malibu (tie)
Hyundai Sonata (tie)

Midsize Sporty Car*

Highest Ranked: Chevrolet Camaro
Ford Mustang

Midsize Premium Car

Highest Ranked: Lexus GS
Mercedes-Benz E-Class
Audi A7

Large Car

Highest Ranked: Toyota Avalon
Buick LaCrosse
Kia Cadenza

* 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. In the Compact Premium Sporty Car, Compact Sporty Car, Midsize Premium Sporty Car, Large Premium Car, and Large Premium SUV segments, these criteria were not met, thus no awards have been issued.

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

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Top Three Models per Segment
SUV, MPV, Van, Pickup Segments

Small SUV

Highest Ranked: Volkswagen Tiguan
Buick Encore
Hyundai Tucson

Compact MPV*

Highest Ranked: Toyota Prius v
Kia Soul

Compact SUV

Highest Ranked: Toyota FJ Cruiser
Chevrolet Equinox
GMC Terrain

Compact Premium SUV

Highest Ranked: Mercedes-Benz GLK-Class
Acura RDX
Volvo XC60

Midsize Pickup*

Highest Ranked: Honda Ridgeline
Nissan Frontier

Midsize SUV

Highest Ranked: Toyota Venza
Ford Edge (tie)
Honda Pilot (tie)

Midsize Premium SUV

Highest Ranked: Lexus RX
Lexus GX
Porsche Cayenne

Minivan

Highest Ranked: Toyota Sienna
Chrysler Town & Country
Dodge Grand Caravan

Large SUV*

Highest Ranked: Chevrolet Tahoe
GMC Yukon

Large Light Duty Pickup

Highest Ranked: Ford F-150
Toyota Tundra
Chevrolet Silverado (tie)
Ram 1500 (tie)

Large Heavy Duty Pickup

Highest Ranked: Chevrolet Silverado HD
GMC Sierra HD
Ford Super Duty

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