



## Press Release

### **J.D. Power and Associates Reports: Importance of Resale Value and Vehicle Quality Increase Considerably as Reasons for Owner Loyalty**

#### Mercedes-Benz Ranks Highest in Owner Retention

**WESTLAKE VILLAGE, Calif.: 10 December 2009**—Resale value and vehicle quality have become increasingly important reasons for new-vehicle buyers to remain loyal to an automotive brand, according to the J.D. Power and Associates 2009 Customer Retention Study<sup>SM</sup> released today.

Now in its seventh year, the study measures the percentage of vehicle owners and lessees who replace a previously purchased new vehicle with another from the same brand. Retaining existing owners is critical to a brand's market success, particularly in the current challenging market conditions.

The study finds that the importance of resale value as a reason for owner loyalty has increased by 12 percentage points in 2009, compared with 2008. Meanwhile, the importance of vehicle quality has increased by 6 percentage points. In comparison, in 2008, the reasons with the largest increases in importance for staying loyal to a brand were safety, fuel economy and deals/incentives.

Resale value and quality have also increased in importance as reasons why brands conquest new customers from their competitors, as has the importance of appearance and styling.

“Although there are some signs of economic recovery, the outlook remains uncertain, so for many new-vehicle buyers, high resale value and quality are particularly important considerations that are driving purchase behavior,” said Raffi Festekjian, director of automotive product research at J.D. Power and Associates. “Whether manufacturers are striving to increase loyalty or conquering buyers from other brands, offering attractively styled models and having strong customer perceptions of resale value and quality are critical.”

Mercedes-Benz ranks highest among automotive brands in retaining vehicle owners when they buy a new-vehicle, and improves their retention rate by seven percentage points from 2008 to 66 percent in 2009. Following in the rankings are Honda (64%) and Toyota (61%).

“Mercedes-Benz has steadily improved its customer retention rates during the past five years, and in 2009, has achieved the highest rate ever attained by a manufacturer since the inception of the study,” said Festekjian. “In particular, customers cite the resale value and appearance and styling of Mercedes-Benz models as primary reasons to remain loyal to the brand.”

Overall customer retention in 2009 has remained stable from 2008 at 48 percent. In 2009, 13 of the 36 ranked brands have improved in customer retention rates from 2008, while 21 have declined and two have remained stable. MINI and Porsche post the greatest improvements in customer retention rates from 2008, improving by 14 and 13 percentage points, respectively, in 2009. For MINI, this improvement is driven primarily by incentives and

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\*Note: This press release was corrected and reissued on February 5, 2010. The corrections involve minor changes to retention rate percentages at the brand level.

customer perceptions of resale value of the brand's models. For Porsche, the increase is due to resale value, fuel economy and quality.

The 2009 Customer Retention Study is based on responses from 128,939 new-vehicle buyers and lessees, of which 74,610 replaced a vehicle that was previously acquired new. The study was fielded between February and May 2009 and August and October 2009.

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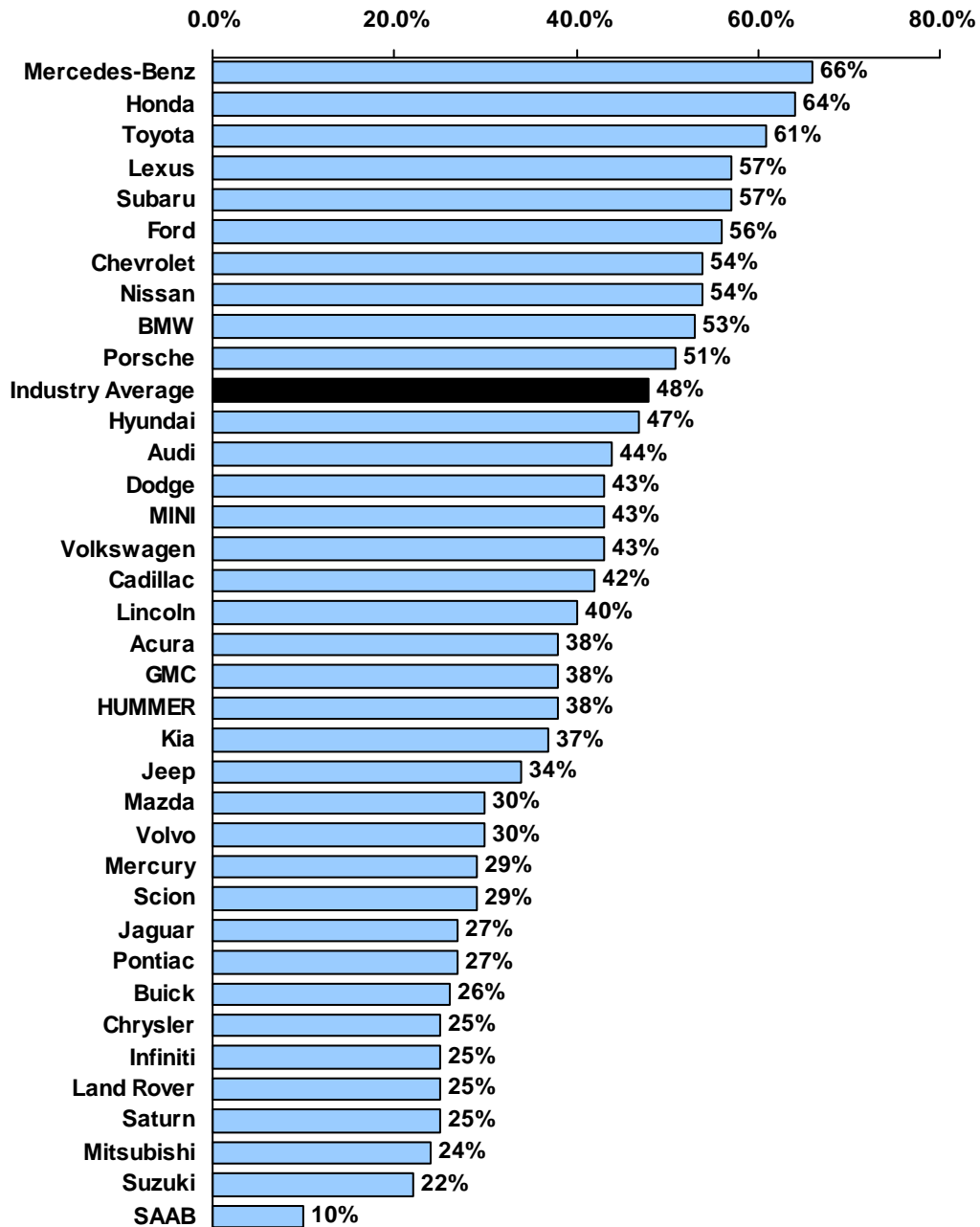
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NOTE: One chart follows.

# J.D. Power and Associates 2009 Customer Retention Study<sup>SM</sup>

## 2009 Make Retention Rates



Base: The percentage of customers who replaced a vehicle previously purchased new and acquired a new vehicle of the same make.

NOTE: This chart was corrected and reissued on February 5, 2010. The corrections involve minor changes to retention rate percentages at the brand level.

Source: J.D. Power and Associates 2009 Customer Retention Study<sup>SM</sup>

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