



## Press Release

### J.D. Power and Associates Reports: Domestic Brands Surpass Imports in Initial Quality for the First Time in IQS History

Initial Quality of Model Launches Improves Considerably, Led by New Entries  
From Ford, Honda, Lexus, Mercedes-Benz and Porsche

**WESTLAKE VILLAGE, Calif.: 17 June 2010** — Domestic auto brands, as a whole, have demonstrated higher initial quality than import brands for the first time, according to the J.D. Power and Associates 2010 U.S. Initial Quality Study<sup>SM</sup> (IQS) released today. The study has been conducted annually for the past 24 years.

Overall, the industry average for initial quality is 109 problems per 100 vehicles (PP100) in 2010, increasing slightly from 108 PP100 in 2009. However, initial quality for domestic brands as a whole has improved by 4 PP100 in 2010 to an average of 108 PP100—slightly better than the initial quality of import brands, which averages 109 PP100 in 2010.



<sup>1</sup> Import brands include automakers headquartered in Europe or Asia Pacific.

<sup>2</sup> PP100 scores prior to 2006 are not directly comparable to scores between 2006 and 2010 due to a redesign of the study.

Source: J.D. Power and Associates U.S. Initial Quality Study<sup>SM</sup> (IQS), 1999-2010

Substantial improvements by many domestic models—including the Ford Focus, Ram 1500 LD and Buick Enclave—drive the overall improvement of domestic automakers in 2010. In particular, initial quality of Ford models has improved steadily for the past nine years. In addition, as a corporation, Ford Motor Company (including Volvo) has 12 models that rank within the top three in their respective segments in 2010—more than any other corporation. General Motors Company has 10 models that rank within the top three in their segments.

Initial quality performance demonstrated by U.S. brands in 2010 contrasts sharply with consumer sentiment from one year ago. According to data collected by the J.D. Power Web Intelligence Division between May and July 2009, much of the online consumer discussion about automotive quality centered around the difficulties U.S. automakers were facing, and perceptions that these problems were largely caused by poor product quality.

“Domestic automakers have made impressive strides in steadily improving vehicle quality, particularly since 2007,” said David Sargent, vice president of global vehicle research at J.D. Power and Associates. “This year may mark a key turning point for U.S. brands as they continue to fight the battle against lingering negative perceptions of their quality. However, there is still a long road ahead, and domestic manufacturers need to consistently prove to consumers that they can produce models with quality that equals or beats that of the import brands. Achieving quality comparability is the first half of the battle; convincing consumers—particularly import buyers—that they have done this is the second half.”

According to J.D. Power’s Web Intelligence Division, online consumer conversations about vehicle quality have recently shifted to a more concrete tone. In 2010, consumers are more often discussing quality as it applies to their own personal vehicle purchase decisions, rather than how domestic brands overall are affected by perceptions of low quality.

Initial quality of new models and major redesigns continues to improve in 2010, led by new launches from Ford, Honda, Lexus, Mercedes-Benz and Porsche.

The all-new Honda Accord Crosstour and the redesigned Ford Mustang, Ford Taurus and Lexus GX 460 each rank highest in initial quality in their respective segments. The Ford Fusion, Mercedes-Benz E-Class Coupe and Sedan and Porsche Panamera also launch with notably high initial quality levels.

Historically, newly launched models have incurred substantially more quality problems than carryover models, on average. However, more than one-half of all models launched during the 2010 model year perform better than their respective segment averages. Furthermore, 12 all-new and redesigned models rank within the top three in their respective segments. Meanwhile, initial quality of carryover and freshened models has declined for the 2010 model year.

“With automakers committing huge budgets for the design, engineering, production and marketing of all-new models and major redesigns, hitting the quality mark out of the gate is critical,” said Sargent. “Getting initial quality right on model launches can serve dual purposes for automakers—boosting profitability and also inspiring consumer confidence in the overall quality of their models. Having a strong quality image is essential for automakers to be able to compete in today’s market—both in the U.S. and around the globe.”

The Initial Quality Study serves as the industry benchmark for [new-vehicle quality measured at 90 days of ownership](#). The study is used extensively by manufacturers worldwide to help them design and build better vehicles and by consumers to help them in their vehicle purchase decisions. Initial quality has been shown over the years to be an excellent predictor of long-term vehicle durability, which directly impacts consumer purchase decisions. The study captures problems experienced by owners in two distinct categories—design-related problems and defects and malfunctions.

### **2010 IQS Ranking Highlights**

Porsche leads the overall nameplate rankings, averaging 83 PP100. Following in the rankings are, respectively, Acura (which moves from 14<sup>th</sup> rank position in 2009 to second in 2010), Mercedes-Benz (which improves from sixth rank position in 2009 to third in 2010), Lexus and Ford (which moves into the top five for the first time since the inception of the study). MINI posts the largest improvement in 2010, reducing problems by 32 PP100 from 2009.

Toyota’s problem count increases by 16 PP100, moving it from sixth rank position in 2009 to 21<sup>st</sup> in 2010.

“Clearly, Toyota has endured a difficult year,” said Sargent. “Recent consumer concerns regarding Toyota’s quality are reflected in the nameplate’s performance in the 2010 study. That said, Toyota’s success was built on a well-deserved reputation for quality, and there is little doubt that they will do everything possible to regain that reputation.”

Ford and Lexus each garner three segment awards. Ford captures awards for the Focus, Mustang and Taurus, while Lexus receives awards for the GS, GX and LS models. The Lexus LS has the fewest quality problems in the industry, with just 55 PP100.

Chevrolet, Honda and Toyota receive two awards each. Chevrolet models earning awards are the Avalanche (in a tie) and the Tahoe. Honda receives awards for the Accord and the Accord Crosstour, while Toyota receives awards for the FJ Cruiser and Sienna.

Also receiving segment awards are: Acura RDX, Cadillac Escalade, GMC Sierra LD (in a tie), Hyundai Accent, Mazda MX-5 Miata, Mercedes-Benz C-Class, Nissan Frontier, Scion xB and Volvo C70.

### **Assembly Plant Awards**

The Daimler assembly plant in East London, South Africa, receives the Platinum Plant Quality Award for producing vehicles yielding the fewest defects and malfunctions. The plant, which averages just 28 PP100, produces the Mercedes-Benz C-Class. Plant awards are based solely on average levels of defects and malfunctions and exclude design-related problems.

Among North and South American plants, the Toyota Motor Corporation plant in Cambridge South, Ontario, Canada, which produces the Lexus RX, achieves the Gold Plant Quality Award.

In the Asia Pacific region, Toyota Motor Corporation's Kyushu 2, Japan, plant, which produces the Lexus ES, IS and RX, receives the Gold Plant Quality Award.

The 2010 Initial Quality Study is based on responses from more than 82,000 purchasers and lessees of new 2010 model-year vehicles surveyed after 90 days of ownership. The study is based on a 228-question battery designed to provide manufacturers with information to facilitate identification of problems and to drive product improvement. The study was fielded between February and May 2010. Visit the [J.D. Power Business Center](#) for additional information on J.D. Power's [automotive research](#).

### **About J.D. Power and Associates**

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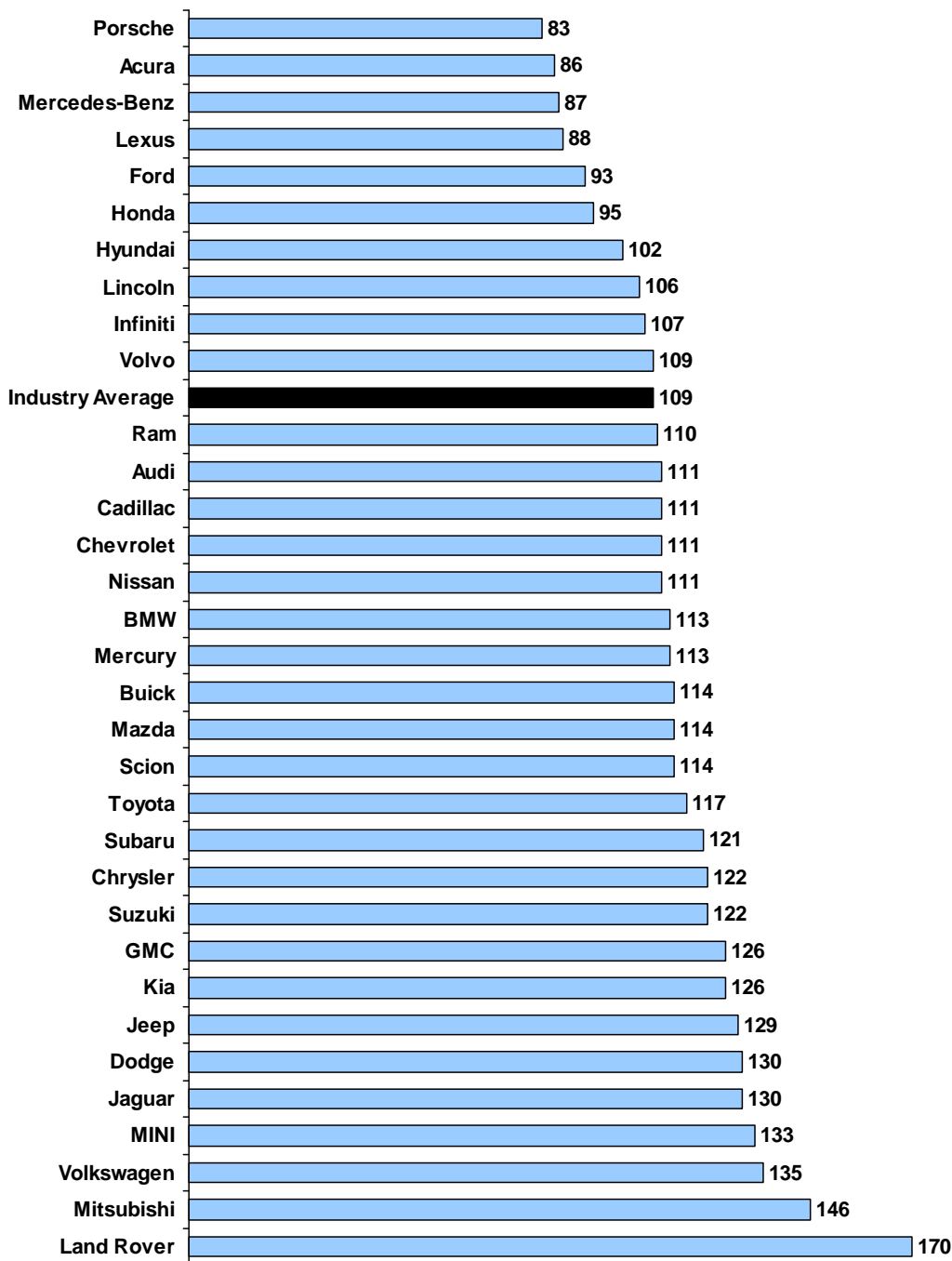
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NOTE: Four charts follow.

# J.D. Power and Associates 2010 Initial Quality Study<sup>SM</sup> (IQS)

## 2010 Nameplate IQS Ranking

Problems per 100 Vehicles



Source: J.D. Power and Associates 2010 Initial Quality Study<sup>SM</sup>

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 2010 Initial Quality Study<sup>SM</sup> as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. No advertising or other promotional use can be made of the information in this release or J.D. Power and Associates survey results without the express prior written consent of J.D. Power and Associates.

# J.D. Power and Associates 2010 U.S. Initial Quality Study<sup>SM</sup> (IQS)

## Top Three Models per Segment Car Segments

<p><b>Sub-Compact Car</b></p> <p><b>Highest Ranked: Hyundai Accent</b> Toyota Yaris Honda Fit</p>	<p><b>Midsize Premium Car</b></p> <p><b>Highest Ranked: Lexus GS</b> Mercedes-Benz E-Class Sedan Volvo S80</p>
<p><b>Compact Car</b></p> <p><b>Highest Ranked: Ford Focus</b> Honda Civic Hyundai Elantra</p>	<p><b>Midsize Sporty Car*</b></p> <p><b>Highest Ranked: Ford Mustang</b> Dodge Challenger</p>
<p><b>Compact Sporty Car*</b></p> <p><b>Highest Ranked: Mazda MX-5 Miata</b> Scion tC</p>	<p><b>Large Premium Car</b></p> <p><b>Highest Ranked: Lexus LS 460</b> Mercedes-Benz S-Class Porsche Panamera</p>
<p><b>Compact Premium Sporty Car*</b></p> <p><b>Highest Ranked: Volvo C70</b> Mercedes-Benz E-Class Coupe</p>	<p><b>Midsize Car</b></p> <p><b>Highest Ranked: Honda Accord</b> Ford Fusion Chevrolet Malibu</p>
<p><b>Entry Premium Car</b></p> <p><b>Highest Ranked: Mercedes-Benz C-Class</b> Acura TL Cadillac CTS</p>	<p><b>Large Car</b></p> <p><b>Highest Ranked: Ford Taurus</b> Buick Lucerne Nissan Maxima</p>

**For more detailed findings on new-vehicle quality performance,  
visit [www.jdpower.com](http://www.jdpower.com)**

*NOTE: For a segment award to be issued, there must be at least three models with sufficient sample that comprise 80 percent of market sales within an award segment. There were only two premium sporty models and no large van models with sufficient sample size, thus no premium sporty or large van awards have been issued.*

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

Source: J.D. Power and Associates 2010 U.S. Initial Quality Study<sup>SM</sup>

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# J.D. Power and Associates 2010 Initial Quality Study<sup>SM</sup> (IQS)

## Top Three Models per Segment Truck/Multi-Activity Vehicle (MAV) Segments

<b>Compact Crossover/SUV</b>	<b>Midsize Premium Crossover/SUV</b>
<b>Highest Ranked: Toyota FJ Cruiser</b> Honda CR-V Honda Element	<b>Highest Ranked: Lexus GX 460</b> Infiniti FX-Series Volvo XC70
<b>Compact MPV</b>	<b>Large Premium Crossover/SUV</b>
<b>Highest Ranked:</b> <b>Scion xB</b> Chrysler PT Cruiser Wagon Nissan Cube	<b>Highest Ranked: Cadillac Escalade</b> Mercedes-Benz GL-Class Infiniti QX56 (tie) Land Rover Range Rover (tie)
<b>Entry Premium Crossover/SUV</b>	<b>Large Pickup</b>
<b>Highest Ranked:</b> <b>Acura RDX</b> BMW X3 Volvo XC60	<b>Highest Ranked:</b> <b>Chevrolet Avalanche (tie)</b> <b>GMC Sierra LD (tie)</b> Ford F-150 LD
<b>Midsize Crossover/SUV</b>	<b>Midsize Pickup</b>
<b>Highest Ranked:</b> <b>Honda Accord Crosstour</b> Honda Pilot Ford Edge	<b>Highest Ranked: Nissan Frontier</b> Ford Ranger Ford Explorer Sport Trac
<b>Large Crossover/SUV</b>	<b>Minivan</b>
<b>Highest Ranked: Chevrolet Tahoe</b> Chevrolet Suburban GMC Yukon	<b>Highest Ranked: Toyota Sienna</b> Kia Sedona Dodge Grand Caravan

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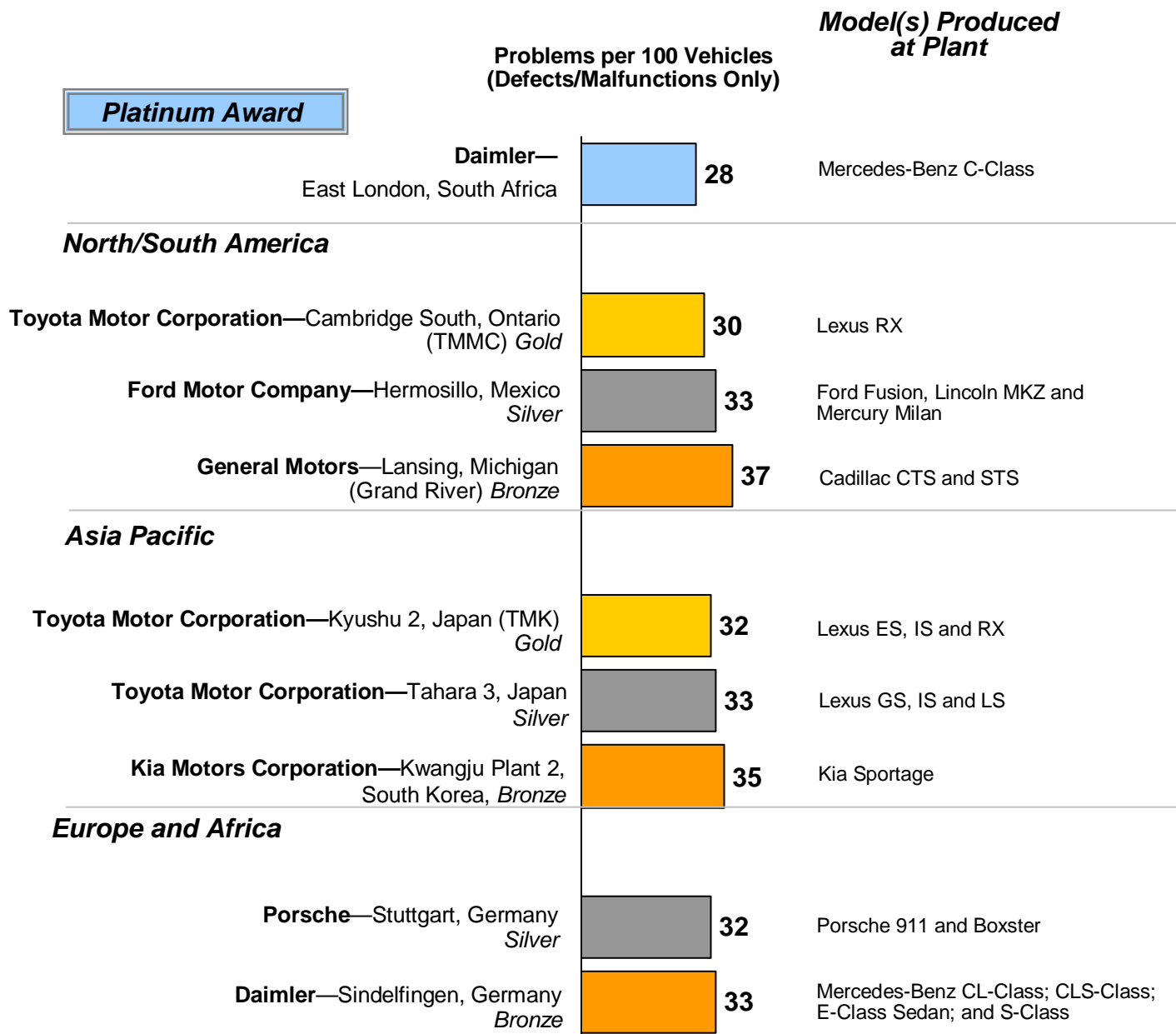
*NOTE: For a segment award to be issued, there must be at least three models with sufficient sample that comprise 80 percent of market sales within an award segment. There were only two premium sporty models and no large van models with sufficient sample size, thus no premium sporty or large van awards have been issued.*

Source: J.D. Power and Associates 2010 Initial Quality Study<sup>SM</sup>

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# J.D. Power and Associates 2010 U.S. Initial Quality Study<sup>SM</sup> (IQS)

## 2010 Assembly Plant Quality Award Recipients Based on Models Produced for U.S. Market



Source: J.D. Power and Associates 2010 U.S. Initial Quality Study<sup>SM</sup>

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