

# Ipsos study puts SA motor industry in very good light

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Ipsos South Africa (part of the second largest survey-based market research company in the world), and its 12 local syndicate members representing 18 brands, have announced both the 2014 product quality and customer experience (service received when purchasing or servicing) awards at the same time. Previously the results were announced separately.

What comes through clearly from these in-depth studies, which includes vehicles sold by manufacturers and distributors responsible for more than 80% of the country's annual sales volume, is that the product quality and dealer service levels in South Africa are exceptionally high.

"The latest set of quality study results are outstanding when one considers the strike-related disruptions to vehicle and replacement parts supply the industry had to endure in the latter months of 2013," commented the Ipsos Automotive Business Unit Director, Patrick Busschau. "Customers in South Africa are becoming increasingly demanding as regards product quality and general service levels but the local motor industry continues to keep raising the bar or at least remains on a very high level."

Ipsos and its forerunner, Synovate, have been involved in competitive customer satisfaction surveys for the motor industry in South Africa since 1991 and so has been able to track the amazing improvement over 23 years. The surveys have three components: a competitive customer experience benchmarking measurement of the sales and service satisfaction of customers, within franchised dealership networks, and a benchmarking of product quality with rankings based on problems per 100 vehicles (PP100).

The three different studies are conducted using telephonic interviews completed in a 12-month period and combined speak to nearly 36,000 vehicle owners. The customer's purchasing experience is measured 10-35 days after delivery, the product quality interviews take place 90 days from purchase and the service experience is based on an interview 10-35 days after a service or repair at a franchised dealership.

The surveys are strictly controlled to ensure the highest levels of scientific validity and reliability. Sometimes the sample is too small for certain brands or models and the relevant manufacturer or distributor is not listed in the rankings.

The best-performing vehicle manufacturers and distributors are rewarded for excellence in terms of product quality or customer experience levels, with three levels of awards: gold, silver and bronze.

## Product Quality Awards

In terms of product quality the industry average number of problems per 100 vehicles (PP100) has remained around the 40 mark since 2011, which is a huge improvement over the 140 problems per 100 vehicles recorded in 2005.

Mercedes-Benz fared particularly well in the 2014 study. Not only did it have the three highest quality models in the E-Class (10), C-Class coupe (14) and C-Class Petrol (14), but also collected two important gold awards as best luxury brand overall and best factory making passenger cars in South Africa. Interestingly the C-Class is manufactured locally which illustrates the very high standards that are achieved by the local manufacturing industry.

The best volume passenger car brand overall and gold award winner for 2014 is Mazda, which is interesting as this is a time in which the brand is in the process of splitting from Ford to become a separate, standalone entity. Mazda, which won the gold award in the 2013 study, recorded a PP100 score of 24 in 2014, with Toyota (28) and Opel (29) sharing runner-up

position and collecting silver awards. Bronze awards went to Chevrolet (35), Ford (37) and Volkswagen (37).

This year Mercedes-Benz has come out as the best luxury brand overall with a PP100 score of 20. BMW (23) was second and Audi (27) third. As mentioned previously Mercedes-Benz received the gold award for the best local plant making passenger cars with a score of 15. BMW (19) won silver and Toyota (28) took bronze.

Toyota made a clean sweep of gold awards in the light commercial vehicle category with best LCV brand overall (PP100 score of 39), best one-ton single cab brand overall (39), best one-ton double cab brand overall (39) and best local plant manufacturing light commercials (38).

## Purchasing and Servicing Quality Awards

The average score for purchasing experience for passenger cars is similar to last year, at just below 94%, which is outstanding. The overall LCV sales experience has slipped very slightly, going from almost 93% to just above 92%.

The Volkswagen Group fared very well in the 2014 Ipsos study measuring service delivery in purchasing and servicing a vehicle. Audi took gold awards in both sales and service in the passenger car segment, with Volkswagen cars taking gold for sales and silver for service. In fact this was a repeat of the achievement by Audi in the 2013 Ipsos quality study, while Volkswagen collected gold for both sales and service last year.

On the light commercial vehicle front Volkswagen took gold for both sales and service. (Gold awards went to brands scoring between 92.6% - 94.6% for sales and between 82.5% and 88.7% for service). Lexus prevented a Volkswagen Group clean sweep of the gold awards in the passenger car sales and service categories by taking gold for service.

A number of brands collected gold awards in both the sales and service categories in the light commercial vehicle section: Isuzu, Nissan and Volkswagen all collected gold for sales while Chevrolet, Isuzu, Nissan, Toyota and Volkswagen were awarded gold for servicing.

"The local motor industry can be very proud of the latest Ipsos study results as a tribute to dedication to quality at all levels indicative of extensive quality improvement programmes and intensive staff training," concluded Patrick Busschau.

## About Ipsos

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