

Navigation System Satisfaction Stalls, J.D. Power Study finds

Lexus Ranks Highest among Luxury Brands for Fifth Consecutive Year;
Toyota Ranks Highest among Mass Market Brands for Second Consecutive Year

TOKYO: 7 Oct. 2016 — Customer satisfaction with factory-installed in-vehicle navigation systems in Japan has become stagnant, due in large part to owners not being aware of, or using, many of their system's capabilities, according to the J.D. Power 2016 Japan Navigation Systems Customer Satisfaction Index StudySM—OEM, released today.

Overall satisfaction averages 519 on a 1,000-point scale in 2016, down slightly from 521 in 2015. Since the study was redesigned in 2013, overall satisfaction has stabilized around 520 and not shown any marked improvement.

One of the primary reasons for this sluggish condition is that owners do not use the full potential of their navigation system, although the functions have improved every year. For example, the study finds that only 27% of owners overall use the telematics service in their vehicle, although 49% of owners have a factory-installed navigation system that supports this service.

For example, 49% of owners have navigation systems in their vehicle that support a telematics service, yet among them, 65% of them indicate that they have never used the service. Among the top reasons owners say they don't use the service are that they don't know what the telematics service is; they don't know how to use it; or they don't understand the fees associated with the service. Only 10% of owners with telematics services say don't use them because they don't need them.

Lack of use of telematics services negatively affects customer satisfaction. Overall satisfaction among owners who use the telematics services with their navigation system is 572 points, compared with 511 among those who do not.

"Automakers are making a major investment to add technologies to vehicles that help improve the driving experience, yet often those technologies are not being utilized to their full capacity," said **Atsushi Kawahashi, senior director of the automotive division at J.D. Power, Tokyo**. "Because the first few weeks of ownership are so critical, dealerships play the most important role in helping owners get off to a good start with their in-vehicle navigation system. In addition, automakers need to design the technology to be intuitive for consumers, and then explain the technology to dealership staff and train them on how to demonstrate it to owners."

Furthermore, the study finds the more of their navigation system's services owners use, the higher their satisfaction. Overall satisfaction among owners who use 10 telematics services or more is 661, while satisfaction among those who use four to nine telematics services is 597. When owners use only one to three of their system's telematics services, satisfaction drops to 563.

The study, now in its ninth year, measures satisfaction with factory- and dealer-installed navigation systems when used as in-vehicle information systems including music and video player functions and telematics services, in addition to search and guidance functions. Four factors are examined (listed in order of importance): navigation function (39%); infotainment equipment (21%); operation/ user interface (20%); and screen (19%). Satisfaction is calculated on a 1,000-point scale.

Other key findings from the study include:

- **Luxury Segment Satisfaction Increases, but Drops in Mass Market Segment:** In the luxury brand segment, satisfaction increases by 3 points to 552 in 2016. Satisfaction increases by 7 points in the navigation function factor; 4 points in the infotainment equipment factor; and 3 points in the screen factor, while declining by 2 points in the operation/ user interface factor. In the mass market brand segment, satisfaction decreases by 3 points to 517. Satisfaction decreases in all four factors, with the largest decline of 4 points in the navigation function factor.
- **Satisfaction Equals Loyalty:** Among highly satisfied customers (overall satisfaction scores of 800 and above), 95% say they “definitely would” or “probably would” repurchase the same brand of vehicle. In contrast, among customers who are highly dissatisfied (scores of 500 or lower), only 45% say they “definitely would” or “probably would” repurchase the same.

2016 Ranking Highlights

In the luxury brand segment, **Lexus** ranks highest for a fifth consecutive year, with a score of 642.

In the mass market brand segment, **Toyota** ranks highest for a second consecutive year, with a score of 532. Toyota is followed by **Honda** (522) and **Subaru** (518).

The 2016 Japan Navigation Systems Customer Satisfaction Index Study—OEM is based on responses from 7,278 vehicle owners who purchased a new vehicle equipped with a factory- and dealer-installed navigation system from April 2014 through March 2016. The internet study was fielded in late July 2016.

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About J.D. Power in the Asia Pacific Region

J.D. Power has offices in Tokyo, Singapore, Beijing, Shanghai, Malaysia and Bangkok that conduct customer satisfaction research and provide consulting services in the automotive, information technology and finance industries in the Asia Pacific region. Together, the six offices bring the language of customer satisfaction to consumers and businesses in Australia, China, India, Indonesia, Japan, Malaysia, Philippines, Taiwan, Thailand and Vietnam. Information regarding J.D. Power and its products can be accessed through the internet at japan.jdpower.com.

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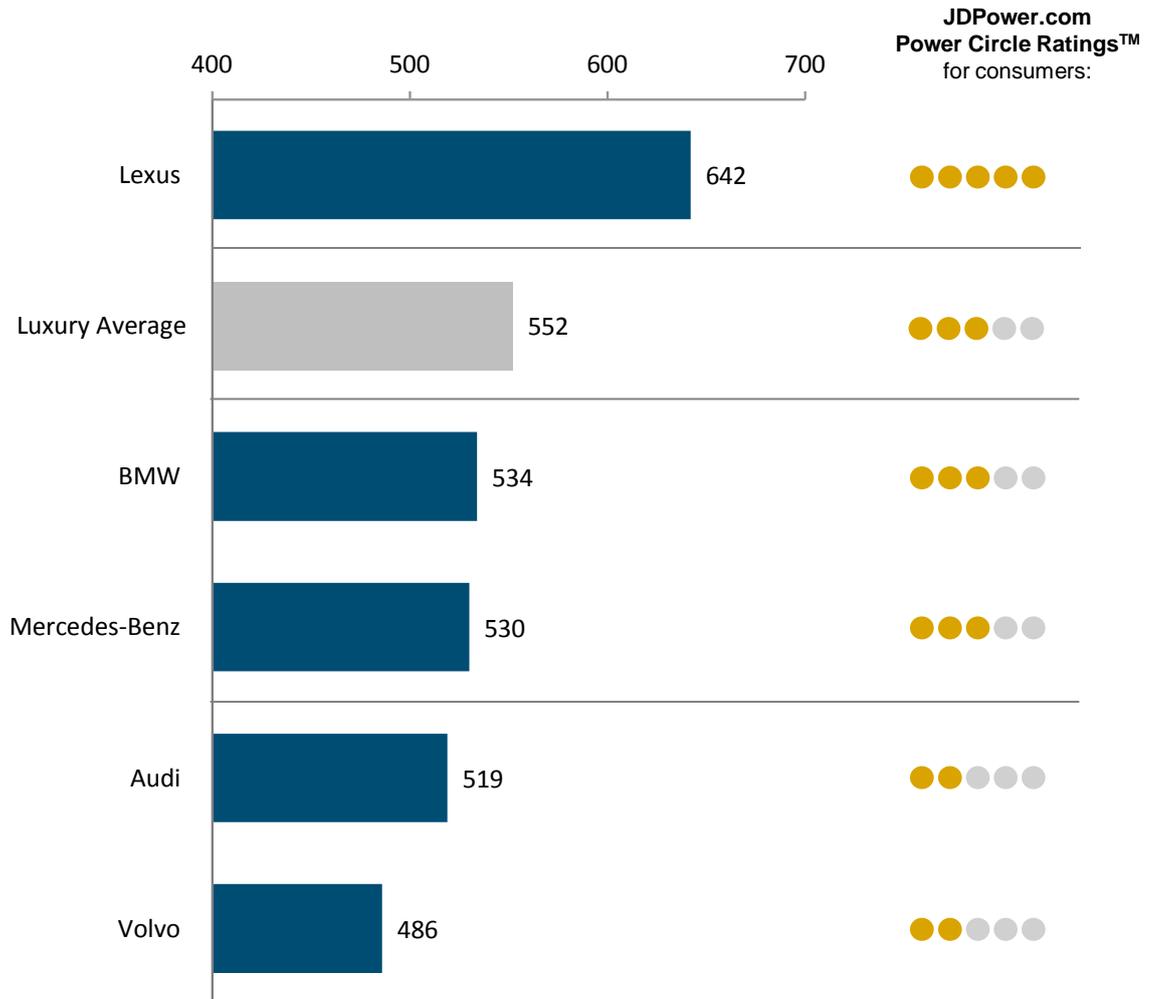
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Note: Three charts follow.

J.D. Power 2016 Japan Navigation Systems Customer Satisfaction Index StudySM

Overall Satisfaction with OEM Navigation Systems Luxury Brand Segment

(Based on a 1,000-point scale)



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Power Circle RatingsTM
for consumers:**

Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

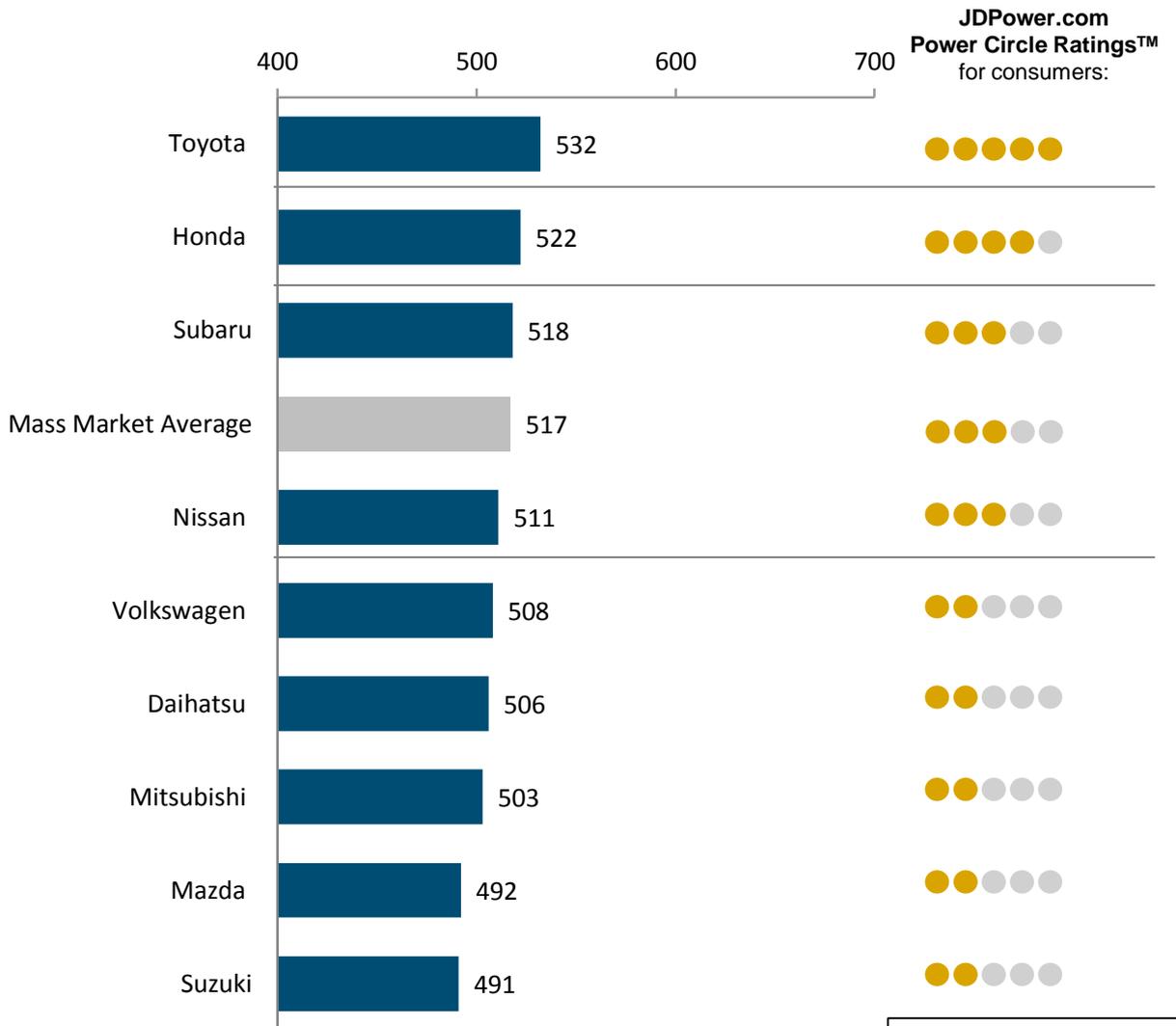
Source: J.D. Power 2016 Japan Navigation Systems Customer Satisfaction Index StudySM

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Overall Satisfaction with OEM Navigation Systems Mass Market Brand Segment

(Based on a 1,000-point scale)



Power Circle Ratings Legend

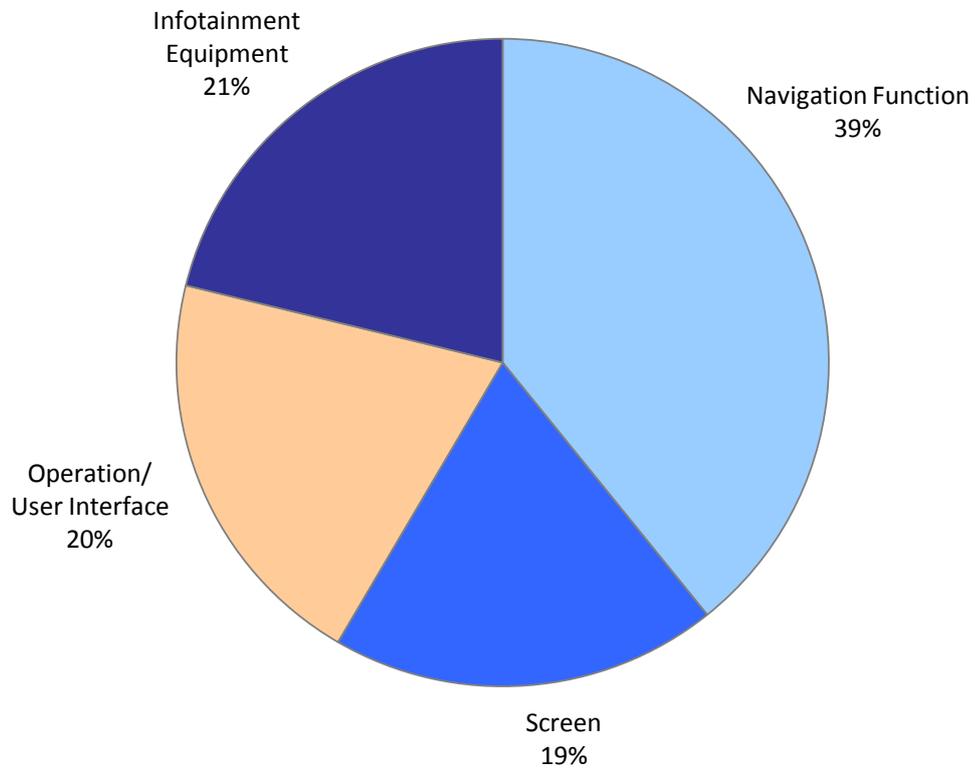
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Factors Contributing to Overall Satisfaction



Source: J.D. Power 2016 Japan Navigation Systems Customer Satisfaction Index StudySM

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