

New Vehicles with More Features Increase Appeal but Dealers Must Educate Owners, J.D. Power Finds

Subaru Ranks Highest Overall for Tech Innovation

TOKYO: 25 Nov. 2021 — New vehicles with more features, including advanced technologies, increase competitiveness in Japan, but dealers need to improve their presentation skills to explain these features and thus increase customer satisfaction, according to the J.D. Power 2021 Japan Tech Experience Index (TXI) Study,SM released today. Specifically, when dealers show owners how to use the active driving assistance feature on their new vehicles (which enables the execution of acceleration and steering supports simultaneously), the Execution Index score (owners' evaluations of new features) is 806 points (on a 1,000-point scale), compared with 783 points when dealers do not explain how to use it.

"Having more features on new vehicles makes them more appealing, but knowledge of use is also very important," said **Yuji Sasaki, director of research at J.D. Power**. "However, the study shows low customer acceptance of these features when dealers do not demonstrate these features. To successfully bring new technologies that are unfamiliar to customers into the market, it is imperative for dealers to provide their staff with training and the tools to improve the explanation of these new features."

The 2021 Japan TXI Study has been redesigned and is based on the redesign of the J.D. Power U.S. Tech Experience Index (TXI) StudySM in 2020. The 2021 Japan TXI Study specifically focuses on the installation of features on new vehicles and owner usage and problems experienced with these features, as well as their intentions to recommend and repurchase, based on 32 features that include advanced technologies such as active driving assistance.

Following are key findings of the 2021 study:

- **Additional features and high satisfaction with them make new vehicles more appealing:** Among all brands included in the overall Innovation Index ranking, which is calculated based on the installation and usage of new features on new vehicles and owners' evaluations of them, Subaru is the highest-ranking brand this year. In the luxury segment, Mercedes-Benz ranks highest. Additionally, these two brands ranked high in the J.D. Power 2021 Japan Automotive Performance, Execution and Layout (APEAL) Study,SM released earlier this year. These rankings indicate that installing new innovative technologies prior to competitors doing so is instrumental in increasing market competitiveness.
- **New owners commonly cite challenges with new technologies:** Among the 13 advanced technologies, eight are most frequently cited by new owners as hard to understand how to use or difficult to use. New technologies are not always user-friendly and owners often feel stressed when attempting to use them, which suggests that the usability and intuitiveness of new technologies needs to be improved.
- **Determining necessary features and their optimal performance is essential:** The study also asks new owners about the features they actually use. The percentages range from 52% to

97%¹ depending on the feature. The lowest percentage is for driver/passenger communication systems among which 49% of those who answered that they do not use these systems cite they don't need them. It is imperative for manufacturers and suppliers to review and improve ways of identifying owner needs and eliminating unnecessary features.

Highest-Ranked Brands

Subaru ranks highest overall in the Innovation Index. **Mercedes-Benz** ranks highest among luxury brands.

Advanced Technology Award Recipients

- **Toyota ALPHARD** is the mass market model receiving the Convenience award, for camera rear-view mirror technology. For the luxury models in this technology category, no award has been issued this year because the ranking criteria were not met.
- **Subaru FORESTER** is the mass market model receiving the Emerging Automation award, for reverse automatic emergency braking technology. For the luxury models in this technology category, no award has been issued this year because the ranking criteria were not met.
- In the Infotainment & Connectivity and the Energy & Sustainability technology categories, no awards have been issued this year because the ranking criteria were not met.

The 2021 Japan Tech Experience Index (TXI) Study is based on responses from 19,615 purchasers of new vehicles in the first two to 13 months of ownership. The study was fielded from May through June 2021.

J.D. Power is a global leader in consumer insights, advisory services and data and analytics. A pioneer in the use of big data, artificial intelligence (AI) and algorithmic modeling capabilities to understand consumer behavior, J.D. Power has been delivering incisive industry intelligence on customer interactions with brands and products for more than 50 years. The world's leading businesses across major industries rely on J.D. Power to guide their customer-facing strategies. J.D. Power has offices in North America, Europe and Asia Pacific.

Media Relations Contacts

Kumi Kitami; Japan; 81-3-4570-8410; release@jdpa.com
Geno Effler; USA; 714-621-6224; media.relations@jdpa.com

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NOTE: Four charts follow.

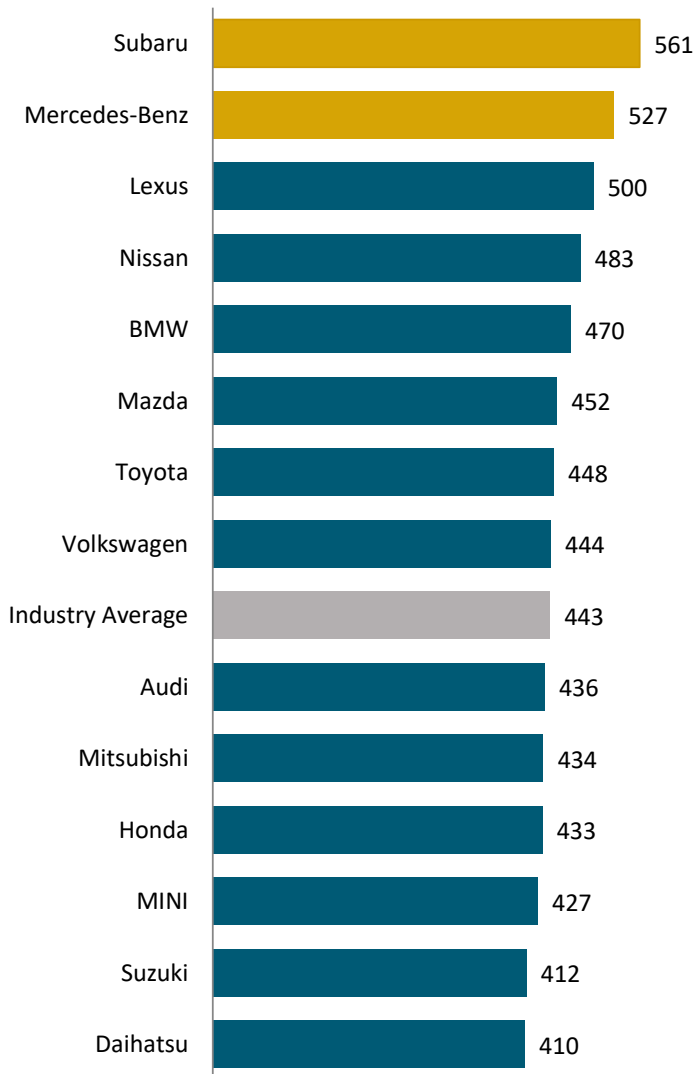
¹ These percentages are based on the features installed on owners' new vehicles.

J.D. Power

2021 Japan Tech Experience Index (TXI) StudySM

Overall Innovation Ranking

(Based on a 1,000-point scale)



NOTE: Brand/Segment are not rank eligible unless they meet study criteria by J.D. Power, including insufficient sample.

Source: J.D. Power 2021 Japan Tech Experience Index (TXI) StudySM

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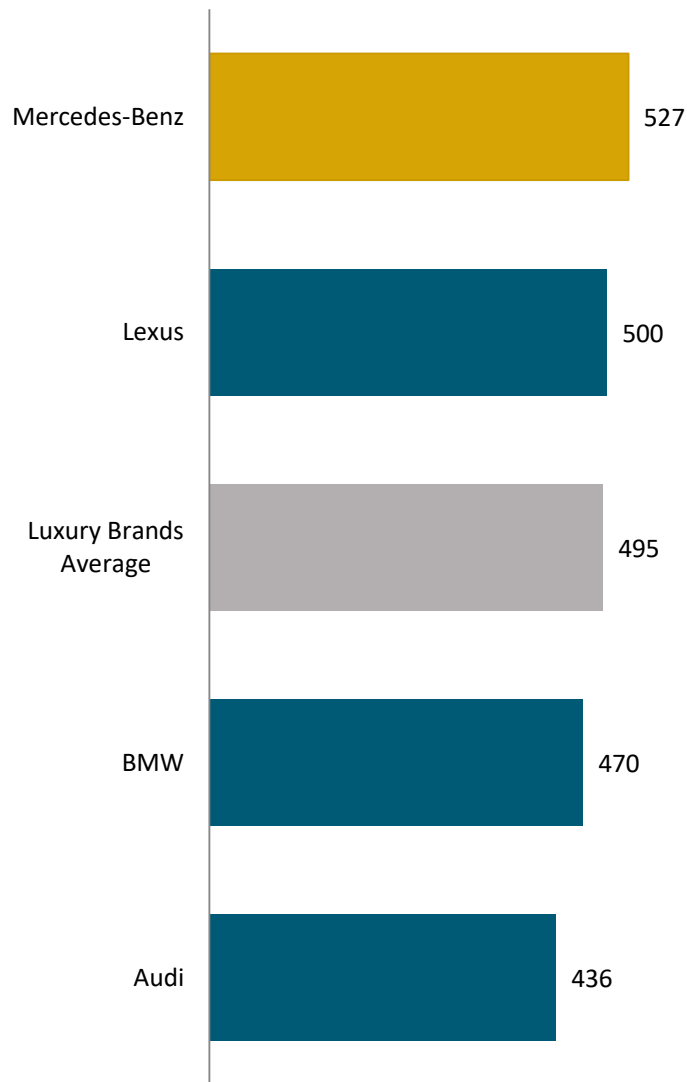
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2021 Japan Tech Experience Index (TXI) StudySM

Overall Innovation Ranking

(Based on a 1,000-point scale)

Luxury Brands



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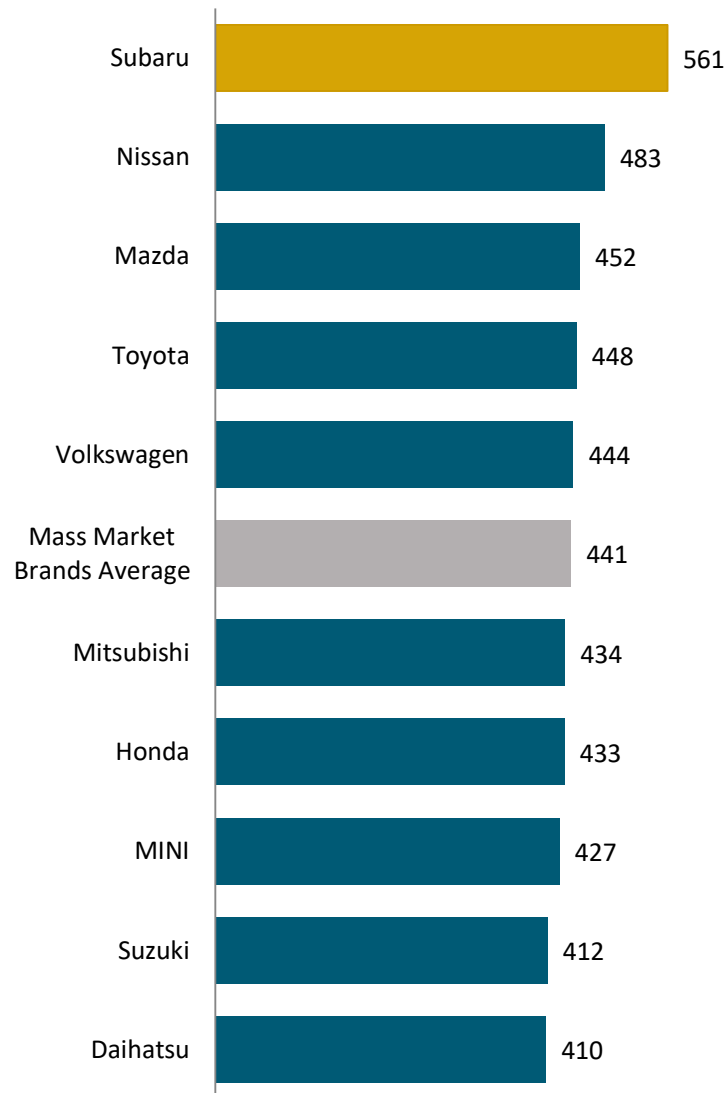
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2021 Japan Tech Experience Index (TXI) StudySM

Overall Innovation Ranking

(Based on a 1,000-point scale)

Mass Market Brands



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2021 Japan Tech Experience Index (TXI) StudySM

Top Models per Tech Category

Advanced Technologies

Convenience

Top Luxury Model
NA

Top Mass Market Model
Toyota ALPHARD
Tech: Camera rear-view mirror

Emerging Automation

Top Luxury Model
NA

Top Mass Market Model
Subaru FORESTER
Tech: Reverse automatic emergency braking

NOTE: Rank-eligible technologies must have at least four models among at least two corporations with sufficient sample to be eligible for award consideration. In the Infotainment & Connectivity and the Energy & Sustainability technology categories, these criteria were not met, thus no awards have been issued.

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