

From Wilken Communication Management
On behalf of: Synovate
Tel: +27 12 460 4448
Fax: + 27 11 463 2233
flip@icon.co.za



Date 11 October 2004

Frequently Asked Questions (FAQ's)

Supporting Documentation for Media Release: “ VEHICLE QUALITY IMPROVES BY 40% IN SOUTH AFRICA, Vehicle Quality A Key Driver Of Customer Loyalty and Advocacy”

Who is Synovate?

Synovate South Africa (Pty) Ltd was formerly know as Proactive Insight. Synovate in South Africa is best known as the marketing research company that calls you to talk about your vehicle, bank, cell phone etc.

Synovate is one of the world's top research firms and is present across America, Europe, the Middle East and Africa, Latin America and Asia-Pacific. It's parent company, Aegis Group plc, is the holding company for Aegis Media (media services) and Synovate, and is listed on the London Stock Exchange.

Synovate employs 3 300 employees in its 82 offices across 48 countries. **In South Africa, Synovate employs 360 people on a full time basis.**

Synovate in South Africa is ISO 9001:2000 accredited, making it one of only two marketing research companies in South Africa to boast this quality certification.

Synovate in South Africa is one of the largest marketing research companies in southern Africa, conducting almost 1 million successful interviews per annum. We have been the principal supplier of marketing research information to the South African Motor Industry for the past 15 years, providing local support for all the research information supplied.

What is CCSI?

In 1990 we conducted the first pilot study for the Competitive Customer Satisfaction Index (CCSI). By 1991, we had manufacturers clamoring to participate in and buy the results of this all-embracing research project.

What topics are covered by the CCSI?

The CCSI provides detailed feedback by manufacturer and by model on:

- customer satisfaction with the sales process and the service process,
- an evaluation of the quality of the vehicle itself (PP100),
- the perceptions of each vehicle brand, and
- the profiles of the drivers of the vehicles.

Covering all of these topics in one survey allows the results to be merged and reporting on vehicle quality can be done by driver profile, for example. In this way we can see that Enthusiasts are more inclined to be very critical of their vehicles, as opposed to Traditionalists.

What is PP100?

PP100 stands for Problems per 100 vehicles. This is a zero defects type measure of vehicle quality.

What is Customer Irritation Factor™ (CIF™)?

CIF™ was developed in order to bring consumer importance to the ranking of problems on any give vehicle. For example if you have 10 problems on 'Gearbox' and 10 problems on 'Rattles' which do you action first. CIF™ enables the engineers and marketers to prioritise those aspects that need to be addressed first in order to enhance customer satisfaction and loyalty.

What questions get asked?

New vehicle drivers are asked whether or not they have encountered a problem in each of the following 16 areas:

Noise Levels:	<i>Wind noise, squeaks and rattles, road noise</i>
Static Functional Aspects:	<i>Water leaks, dust leaks, ventilation system and functional problems</i>
Dynamic Functional Aspects:	<i>Steering and handling, gearbox, brakes and handbrake, mechanical and performance, suspension and drive shaft</i>
Appearance:	<i>Seats and their covering, interior, exterior paint, exterior bodywork and mouldings</i>

Wherever a problem has been experienced, a 'drilldown' process is followed to highlight exactly what the problem is.

At worst a customer could say that he has experienced 274 problems on one vehicle. The average is closer to 1.5 problems per vehicle.

Why include so much detail?

This research has been used extensively by the manufacturers to evaluate current design and to provide feedback on current quality. It is used to complement the existing in-plant final inspection, the complaint system and the warranty claims system, in establishing why exactly customers are not 100% satisfied.

How is the information used?

All subscribing manufacturers have teams of engineers that dissect the information to fully understand where problems have arisen. In some cases, immediately after an interview, the information is passed on to the manufacturer, with the customer's permission. This information is then used to identify whether 'fixes' introduced have been successful and what new areas need to be prioritised.

Since the survey has been extensively used for the last 10 years a great deal of history and trends are available. The trend of ongoing improvements, highlights the hard work and effort that all the manufacturers have put into their manufacturing processes.

Who decided on the questions?

The questionnaire was designed in conjunction with engineers from the manufacturers and every potential problem area is included. The questionnaire is updated on an ongoing basis to stay in line with technological advances on vehicles. It has been designed to consider not only the latest technology, but also meet local conditions and to help South African plants tackle issues not always encountered in first world markets, e.g. gravel/dust roads.

The measurement is not clouded by perception, but is rather a black and white measure of actual problem areas that new vehicles owners have encountered.

Why use telephone research as opposed to mail research?

- Time: In South Africa the telephone research technique assures that the information is fresh. The mail technique can introduce long delays, making the information too old to act on accurately.
- Reliability: samples can be controlled by region, by dealer, by model, by vehicle age.
- Reliability: Control over who completes the questionnaire i.e. can exclude dealer staff, manufacturer staff, etc.
- Validity: representative of all vehicle drivers, not only those unhappy enough to reply (a well documented criticism of mail research).
- Validity: in our experience, telephone research gets answered by 94% of people called, whereas mail research gets responded to by less than 10% of people who are mailed.

Who gets contacted?

In South Africa there is no single reliable source of driver names. To ensure the most robust research, the manufacturers supply names of the vehicle drivers to Synovate in South Africa, as soon as the vehicle is sold.

This name submission process is subjected to rigorous quality procedures at Synovate to ensure that manufacturers cannot be selective about which names get sent to Synovate. The first check is to ensure that the driver details of each vehicle sold is sent to Synovate electronically. The actual number of names received is compared with the numbers that NAAMSA reports as sold each month. The next check is to review the quality of the driver details submitted. A final check happens after the interview, to ensure that no names or phone numbers were incorrect or do not exist.

These driver details form the basis of the sampling. Once the vehicle is between two and four months old (roughly 90 days old), the driver gets contacted.

At this point he has spent enough time with his vehicle to evaluate it objectively.

What if the driver is very unhappy?

Complaints are fed back to manufacturers for a quick response. This response is followed up to ensure that complaints are resolved.

How long is the interview?

For very satisfied customers the interview is extremely fast. On average the interview takes less than 15 minutes over the telephone.

What period is covered in this research?

This research is based on interviews conducted for the year ending June 2004. This would include vehicles sold after April 2003.

How many people were interviewed?

In order to qualify for an award, at least 50 people had to have evaluated each vehicle. In total the CCSI research included interviews with almost 55 000 people since January 2003. This research wave included the responses of almost 10 000 customers.

Why are some positions/awards 'tie'?

Only where the margin of error clearly separates two models' results, have they been shown as distinctly different and awarded gold, silver or bronze.

How is the information reported?

Problems are added up and then reported as the number of problems per 100 vehicles. This allows for comparisons over time and between competitor models. A straight, unweighted count is provided, as well as a count which incorporates the Customer Irritation Factor™ (CIF™), a weighting factor that was developed by Synovate a number of years ago.

The CIF™ weightings were derived from interviews with vehicle owners and then the application of an advanced statistical technique. The intention was to determine how likely each problem area is to create dissatisfaction amongst new owners. The more serious problem areas are given higher priority, while minor problems have less impact. This enables engineers to focus on areas which are most likely to impact on satisfaction.

Who decides on the segments?

All manufacturers have their own segments. The segments in this survey combine these and are essentially a reflection of the vehicle's price and body shape.

Why is the dti involved?

These awards are endorsed by the Department of Trade and Industry, and this support demonstrates the Government's effort to promote competitive and socially responsible business in South Africa.

ISSUED BY: WILKEN COMMUNICATION MANAGEMENT

TEL: (012) 460-4448

FAX: (012) 460-4514

E-MAIL: flip@icon.co.za

ON BEHALF OF: SYNOVATE