



**synovate**

Research reinvented

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## **Vehicle Quality Improves by 40% in South Africa Vehicle Quality A Key Driver Of Customer Loyalty and Advocacy**

SOUTH AFRICA - The quality of vehicles available in South Africa has improved by 40% since 1998, according to the latest product quality research results released by Synovate.

Synovate, formerly known as Proactive Insight, is now part of one of the largest research companies in the world. The company employs over 360 people in South Africa and conducts the largest competitive customer satisfaction survey in the country's automotive market.

These results form part of Synovate's Competitive Customer Satisfaction Index (CCSI), and are based on interviews conducted with approximately 55 000 vehicle owners on an annual basis. Part of this survey includes a Product Quality measurement, which is commonly known as PP100 or Problems per 100 Vehicles.

"The product quality research has been conducted for more than ten years and the results are used extensively by local manufacturers to identify and correct product problems," said Albert McLean, managing director of Synovate. "It is therefore recognised as the benchmark survey of customer experiences with the quality of their vehicles in the South African automotive market."

"On average the number of problems per 100 vehicles in South Africa has improved by 100 problems since 1998. This reflects the notable effort that the manufacturers have dedicated to ensuring the highest levels of product quality," said McLean. "Certainly, the export contracts that are enjoyed by some manufacturers have played a role in improving quality, but it is evident that quality standards have improved across the board."

"These improvements are mirrored by the overall improvements that have been seen in customer satisfaction with both the sales and service transactions at a dealership level over the same period of time. This demonstrates quite clearly that product quality is a key driver of customer satisfaction," said McLean.

In terms of actual scores, the top products score between 50 problems per 100 vehicles and 70 problems per 100 vehicles, which competes exceptionally well with international standards.

“Our vehicle quality in South Africa, in general, is right up there with the very best,” said McLean. “And we are building some of the best quality vehicles in the world. This is evidenced by the fact that BMW, DaimlerChrysler, Volkswagen and Toyota are building cars for export into some very sophisticated and competitive markets. If our quality was not up to scratch, these contracts would not have been awarded.”

Few people will deny the heady thrill of the first few months of owning a new car. It is the smell, the feeling, the drive, the knobs and buttons, but more than anything it is the overall sense of pride and achievement that makes the experience so special.

And then a squeak, a rattle, a vibration, a breakdown. Suddenly everything changes. The feeling of trust is gone. You start to doubt the most important thing about your car. Reliability.

“Vehicle manufacturers know all of these things and this is why they have continued to give high priority to product quality,” said McLean. “Some of the most sophisticated quality systems in the world have come out of the automotive production environment and every phase of the manufacturing process is monitored in the finest detail.”

Quality audits at plant level are one thing, but how does this affect the customer?

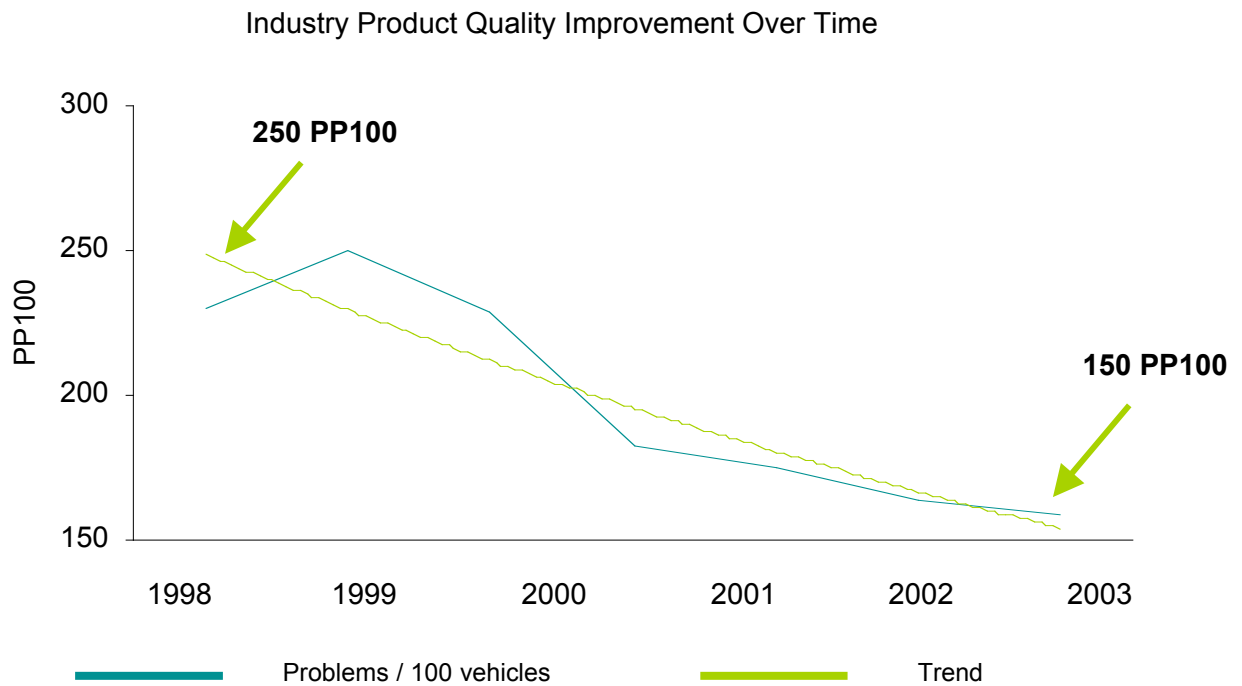
“Customer perceptions of product quality are even more important than what the engineers think and these perceptions need to be measured, scientifically, objectively and in a language that the customer understands. This is exactly the reasoning behind the Synovate PP100 product quality research.”

A number of segments have been compiled to ensure that similar types of vehicles are compared with one another, and also separate Passenger and Light Commercial Vehicles.

## SOUTH AFRICA'S TOP QUALITY VEHICLES

Vehicles are grouped into competing categories based on bodyshape, application and price and are compared on this basis.

The first graph demonstrates the improvement that has been seen in product quality in the South African automotive market over time.



The next set of graphs include rankings of Passenger Vehicles, Recreational Vehicles and Light Commercial Vehicles by individual model. The table below can be used as a key to the abbreviations.

Abbreviation	Meaning
Pet	Petrol
Dsl	Diesel
SW	Station Wagon
PSC < 2.2	Petrol Single Cab Engine Size less than 2.2 litre
PSC >2.2	Petrol Single Cab Engine Size greater than 2.2 litre
DSC	Diesel Single Cab
PDC	Petrol Double Cab
DDC	Diesel Double Cab

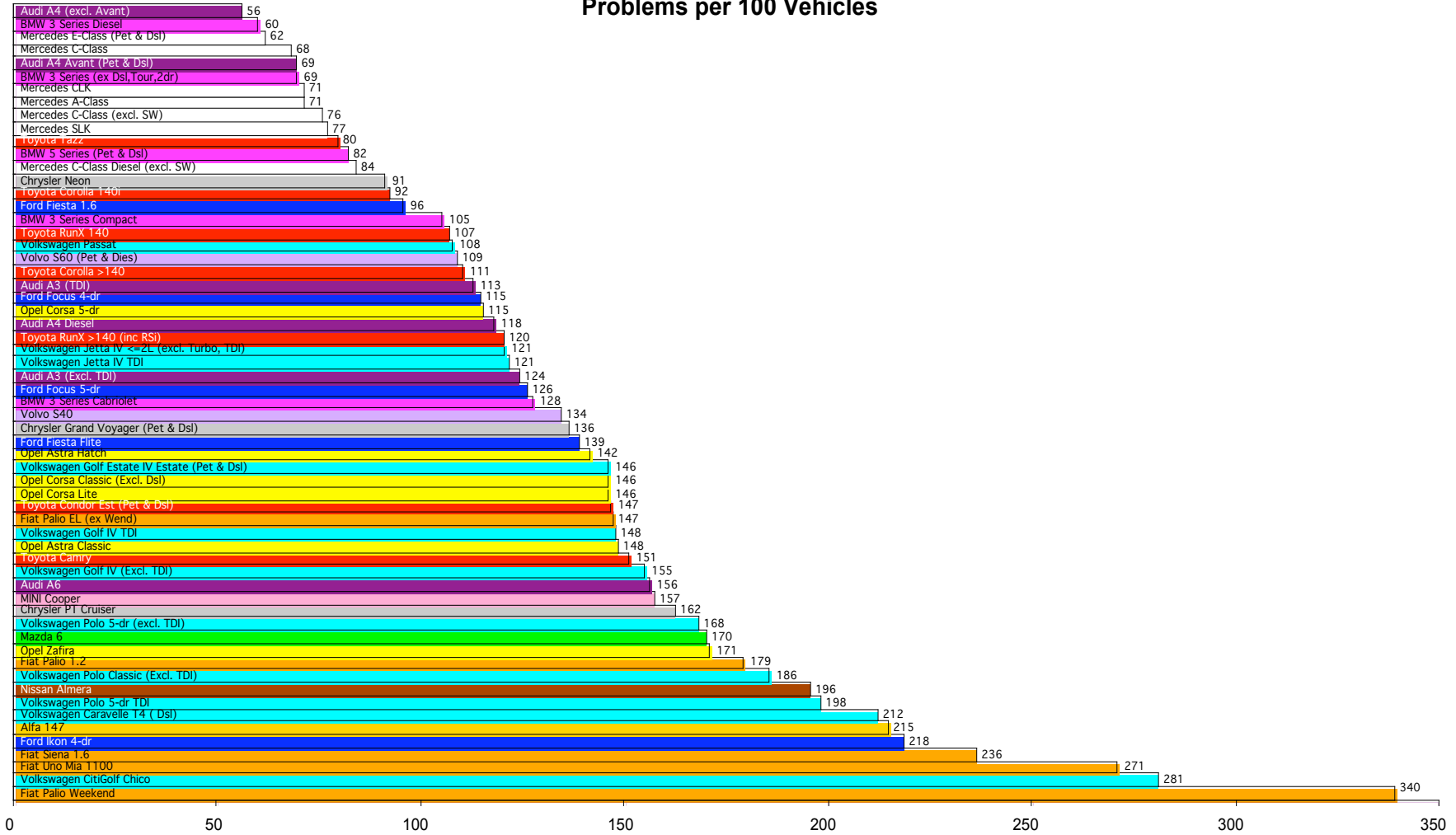
The tables that follow the graphs identify the top three performers in each of the individual segments and overall categories.

Three graphs and two tables to follow.

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## 2004 Product Quality Survey

### 2004 Passenger Car Ranking Problems per 100 Vehicles



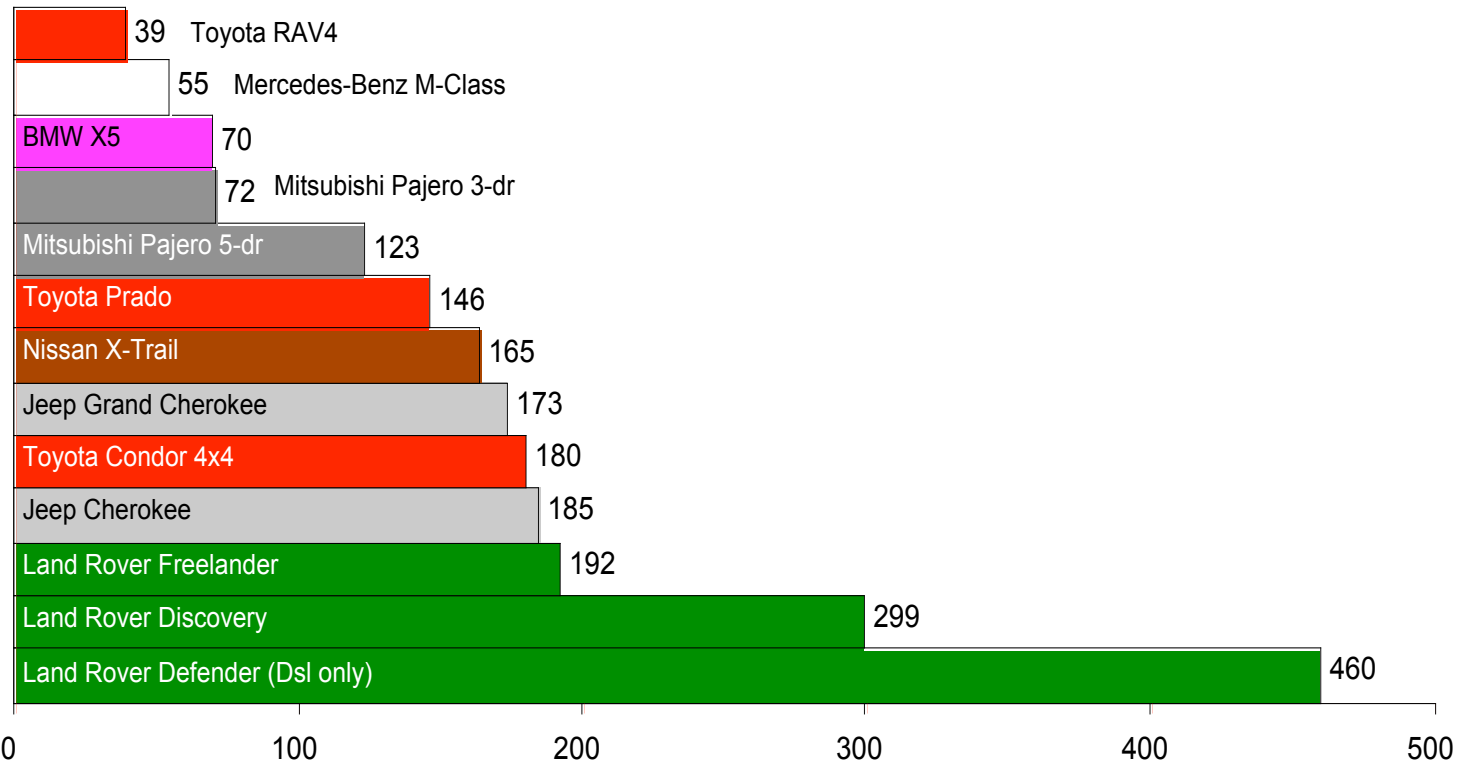
Source: Synovate 2004 Product Quality Survey

All graphs, rankings, tables and information extracted from this media release must be accompanied by a statement acknowledging "Synovate 2004 Product Quality Survey" as the source

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## 2004 Product Quality Survey

### 2004 Recreational Vehicle Ranking Problems per 100 Vehicles



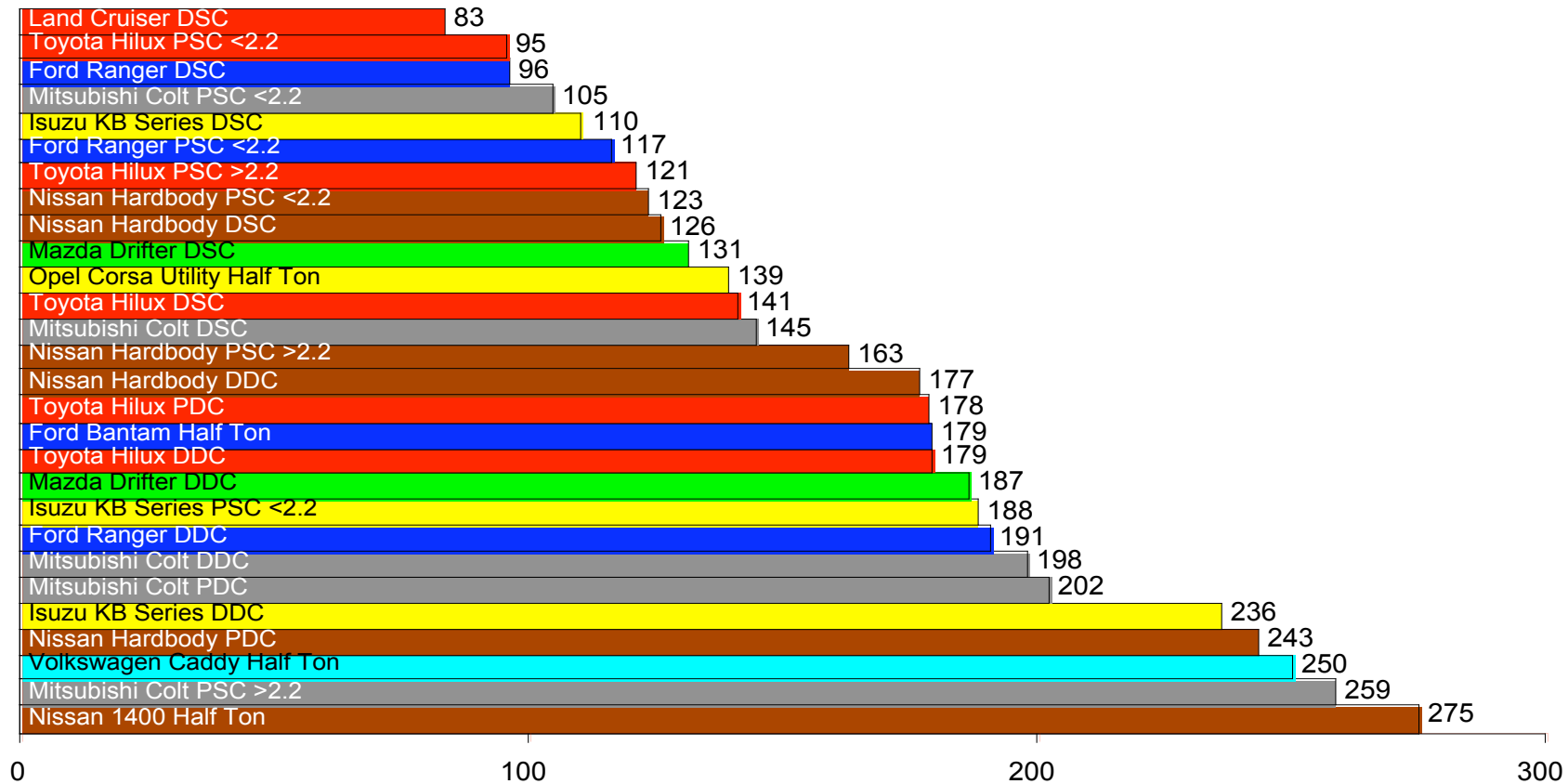
**Source:** Synovate 2004 Product Quality Survey

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## 2004 Product Quality Survey

### 2004 Light Commercial Vehicle Ranking Problems per 100 Vehicles



**Source:** Synovate 2004 Product Quality Survey

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## Passenger Cars

Segment	Position	Model
Entry Level Hatchback	1	Toyota Tazz
	2	Ford Fiesta Flite (tie)
	2	Opel Corsa Lite (tie)
Small Hatchback	1	Ford Fiesta 1.6 (tie)
	1	Toyota RunX 140 (tie)
	3	Opel Corsa 5-dr
Small Sedan	1	Toyota Corolla 140i
	2	Opel Corsa Classic (Excl. Diesel)
	3	Volkswagen Polo Classic (exl. Tdi)
Small Multi-Purpose Vehicle & Small Station Wagon	1	Mercedes-Benz A-Class
	2	VW Golf Estate IV Estate (Pet & Dsl) (tie)
	2	Toyota Condor Est (Petrol & Diesel) (tie)
Topline Hatchback	1	BMW 3 Series Compact (tie)
	1	Audi A3 (Tdi) (tie)
	3	Toyota RunX >140 (inc RSi)
Topline Small Sedan	1	Chrysler Neon
	2	Toyota Corolla >140
	3	Ford Focus
Medium Sized Car	1	Audi A4 (excl. Avant) (tie)
	1	BMW 3 Series Diesel (tie)
	1	BMW 3 Series (excl. Diesel, Tour, 2dr) (tie)
Sports Coupé	1	Mercedes-Benz C-Class <b>Coupé</b> (tie)
	1	Mercedes-Benz CLK (tie)
	1	Mercedes-Benz SLK (tie)
Top Executive Car	1	Mercedes Benz E-Class
	2	BMW 5 Series
	3	Audi A6
Large Multi-Purpose Vehicle & Large Station Wagon	1	Audi A4 Avant
	2	Chrysler Grand Voyager
	3	VW Caravelle T4 ( Diesel)
Small Recreational Vehicle	1	Toyota RAV4
	2	Mitsubishi Pajero 3-dr
	3	Nissan X-Trail
Large Recreational Vehicle	1	Mercedes-Benz M-Class
	2	BMW X5
	3	Mitsubishi Pajero 5-dr

**Passenger Cars: Overall Ranking**

<b>Category</b>	<b>Position</b>	<b>Brand</b>
<b>Best Local Plant Manufacturing Passenger Cars</b>	1	BMW (tie)
	1	Mercedes-Benz (tie)
	3	Toyota
<b>Best Luxury Passenger Car Brand Overall</b>	1	Mercedes-Benz
	2	BMW
	3	Audi
<b>Best Volume Passenger Car Brand Overall</b>	1	Toyota
	2	Opel (tie)
	2	Ford (tie)

## Light Commercial Vehicles

Segment	Position	Model
Half Ton Pick-Up	1	Opel Corsa
	2	Ford Bantam
	3	Volkswagen Caddy
Petrol One Ton Single Cab Engine Size 2.2 litres and smaller	1	Toyota Hilux (tie)
	1	Mitsubishi Colt (tie)
	3	Ford Ranger
Petrol One Ton Single Cab Engine Size larger than 2.2 litres	1	Toyota Hilux
	2	Nissan Hardbody
	3	Mitsubishi Colt
Petrol One Ton Double Cab	1	Toyota Hilux
	2	Mitsubishi Colt
	3	Nissan Hardbody
Diesel One Ton Single Cab	1	Toyota Land Cruiser Pick-Up (tie)
	1	Ford Ranger (tie)
	3	Isuzu KB Series
Diesel One Ton Double Cab	1	Nissan Hardbody (tie)
	1	Toyota Hilux (tie)
	1	Mazda Drifter (tie)

### Light Commercial Vehicles: Overall Ranking

Category	Position	Brand
Best One Ton Petrol Light Commercial Vehicle Overall	1	Toyota Hilux
	2	Nissan Hardbody (tie)
	2	Mitsubishi Colt (tie)
Best One Ton Diesel Light Commercial Vehicle Overall	1	Ford Ranger
	2	Nissan Hardbody (tie)
	2	Toyota Hilux (tie)
Best Local Plant Manufacturing Light Commercial Vehicles	1	Toyota (tie)
	1	Ford / Mazda (tie)
	3	Mitsubishi
Best Overall Light Commercial Vehicle Brand	1	Toyota (tie)
	1	Ford (tie)
	3	Mazda

## **Background to the Vehicle Product Quality Research**

### **Research endorsed by the dti**

In recognition of the brands and manufacturers that have achieved outstanding levels of product quality, Synovate has introduced the Synovate Quality Awards. 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.

"**the dti** has recognised both the value of measuring product quality as well as the reliability of the research that is conducted by Synovate, and has therefore chosen to support this measurement and to participate in the publication of the results," said McLean. "The awards are highly sought after and reward the exceptional standards that the industry and individual manufacturers have achieved."

### **Who is interviewed?**

Customers who have owned and driven their vehicles for 90 days (the global norm for this type of research) are interviewed telephonically and are asked in detail about the quality of their vehicles. The telephonic technique ensures that customers are contacted at the right time and that the right customers are contacted. For example, employees of vehicle manufacturers are not included in the survey because of the obvious bias that this would introduce.

### **The questionnaire**

The questionnaire is comprised of a number of sections and wherever a problem has been experienced, a 'drilldown' process is followed to highlight exactly what the problem is. 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.

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. The questionnaire includes the following:

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

### **Reporting**

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.

The results are useful on different levels to different users and are user-friendly and easy to understand. At a marketing level, overall comparisons of quality can be used as a marketing tool. Due to the more extensive list of quality problems under review, the engineers can interrogate the data in great detail, proactively identifying problem areas as they emerge. Typically engineers are also provided with the dataset which they can then investigate further, and even inspect vehicles to explore the problem in more detail

This method has proven to be successful in tracking product quality, and is used intensively at plant level, as it is a black and white measure, not a measure of feelings or perceptions. This is what is needed at a production level, and contains the type of 'plain speak' which engineers identify with. Results are typically issued at least biannually, and this means that they can effectively be used for target setting. Translating the results as the number of problems per 100 vehicles enables the results of one model to be compared directly with competitors, and also to be tracked efficiently.

***End of Release***

## **About the company**

Synovate, the market research arm of Aegis Group plc, generates consumer insights that drive competitive marketing solutions. The network provides clients cohesive global support and a comprehensive suite of research solutions. Synovate employs over 3,300 staff in 84 offices across 46 countries. More information on Synovate can be found at [www.synovate.com](http://www.synovate.com).

## **About Aegis Group plc**

Aegis Group plc is the holding company for Carat, its media strategy, planning and buying business, and Synovate, its market research business. These two operating groups provide clients with a range of services across media communications, marketing consultancy and market research. Listed on the London Stock Exchange, Aegis is capitalised at around £1.1 billion and operates in 64 countries. More information is available at [www.aegisplc.com](http://www.aegisplc.com).

## **About Synovate in South Africa (Formerly Proactive Insight)**

Proactive Insight is the primary supplier of customer research to the South African market, offering the highest levels of marketing research experience and expertise. The company is ISO9001:2000 certified. More information is available at [www.proactive.co.za](http://www.proactive.co.za)

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