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ACSI: Customer Satisfaction with Automakers Falls to Five-Year Low

Cadillac and Acura Drop Sharply; Buick and Chevrolet Buck the Trend and Improve

ANN ARBOR, Mich., (August 26, 2014) – Customer satisfaction with automakers is down for a second straight year, according to the American Customer Satisfaction Index (ACSI). In today's ACSI report, automobiles and light vehicles fall 1.2 percent to 82 on a 100-point scale, as 16 of 21 measured nameplates exhibit declines in customer satisfaction.

Imports Still Lead but Lose Ground to Detroit

The ACSI decline is pervasive across both domestics and imports, but the gap between the two actually narrows slightly as customer satisfaction with both Asian and European cars retreats more. The only brands to improve are domestic: Chevrolet (+4%) and Buick (+1%). Nevertheless, imports retain a significant advantage in driver satisfaction: six of the top seven ACSI cars are imports.

Mercedes-Benz is down 2 percent but still leads the industry with an ACSI score of 86, followed by Subaru at 85 (-1%). Lexus slips 3 percent to tie Volkswagen (unchanged) at 84, while Toyota and Honda each fall 3 percent to 83. Buick also scores 83 and is the only domestic nameplate to exceed the industry average.

“There are two aspects of these findings that are somewhat unusual,” says Claes Fornell, ACSI Chairman and founder. “The first is that although the domestic car industry has deteriorated in customer satisfaction over the past couple of years, the gap to imports has narrowed due to a weakening of the latter's customer satisfaction. The other notable finding is that several of the luxury brands do poorly. That didn't use to be the case, and suggests that consumers now expect more for their money when they pay a premium price.”

Meanwhile, Chevrolet jumps to an ACSI score of 82, matching GMC (down 4%) and Kia (unchanged). Ford, Nissan, Hyundai and Chrysler are all tied at 81, just below industry average. Cadillac plummets 6 percent to an ACSI score of 80, neck and neck with Mazda and BMW (both down 2%).

At the bottom of the rankings are two domestic brands and two imports. Chrysler's Jeep and Dodge both dip 1 percent to 79 and 78, respectively. Audi, which is included in the Index for the first time this year, posts a score of 79. In last place, Acura plunges 7 percent to 77.

Recalls Damage Customer Satisfaction for New Car Owners

The ACSI also quantifies the effect of recent recalls on customer satisfaction. Car owners who had at least one recall in the past year rate their vehicle 6 percent lower than those who did not experience a recall. The ACSI tracks cars purchased within the past three years, so the industry-wide deterioration in customer satisfaction is not affected by earlier model recalls.

The full report is available for free download at www.theACSI.org. Follow the ACSI on Twitter at @theACSI and Like us on Facebook.

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About ACSI

The American Customer Satisfaction Index (ACSI) is a national economic indicator of customer evaluations of the quality of products and services available to household consumers in the United States. The ACSI uses data from interviews with roughly 70,000 customers annually as inputs to an econometric model for analyzing customer satisfaction with more than 230 companies in 43 industries and 10 economic sectors, as well as over 100 services, programs, and websites of federal government agencies.

ACSI results are released throughout the year, with all measures reported on a scale of 0 to 100. ACSI data have proven to be strongly related to a number of essential indicators of micro and macroeconomic performance. For example, firms with higher levels of customer satisfaction tend to have higher earnings and stock returns relative to competitors. Stock portfolios based on companies that show strong performance in ACSI deliver excess returns in up markets as well as down markets. And, at the macro level, customer satisfaction has been shown to be predictive of both consumer spending and GDP growth.

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