

**J.D. Power Asia Pacific Reports:
New Studies Show Tractor Brands in India Face Challenges
To Meet Farmers' Quality and Service Expectations**

[Mahindra Brands, Eicher and John Deere Rank Highest in Tractor Performance:
New Holland Ranks Highest on After-Sales Customer Service](#)

SINGAPORE: 18 February 2015 — J.D. Power Asia Pacific released two inaugural studies today, the J.D. Power Asia Pacific 2015 India Tractor Product Performance Index (PPI) StudySM and the J.D. Power Asia Pacific 2015 India Tractor Customer Service Index (CSI) Study,SM each providing insights into the drivers of satisfaction among owners and benchmarks on brand performance in India, the largest tractor market in the world.

The India Tractor Product Performance Index Study examines satisfaction with tractor performance among owners of 12- to 24-month-old tractors. Overall product performance satisfaction is measured in two indices: machine performance and quality and reliability. In the machine performance index, the study captures tractor owners' evaluations in seven categories (in order of importance): engine and transmission; hydraulic and couplings; tyres; tractor structure; overall styling and design; driving comfort; and driveability. The quality and reliability index covers owners' experiences and ratings of actual and perceived quality issues. Product performance is reported as an index score based on a 1,000-point scale, with a higher score indicating a higher level of satisfaction.

The India Tractor Customer Service Index Study measures customer satisfaction with the after-sales process at authorised service centres among tractor owners. Overall customer service satisfaction is based on a combined score of the service satisfaction index and parts operation index. The service satisfaction index examines satisfaction in four key measures (listed in order of importance): service quality; service initiation; service engineer; and service handover. The parts operation index examines satisfaction across five attributes, including availability of parts, speed of parts delivery and parts value for money, amongst others.

“Covering the largest tractor market in the world, the Indian tractor studies provide in-depth insights into the drivers of satisfaction amongst farmers in this important market,” said Mohit Arora, executive director, J.D. Power Asia Pacific. “The studies also provide essential benchmark data on the performance of the major tractor brands in India through direct and independent customer feedback.”

India Tractor Product Performance Index Study

The study finds that the engine and transmission, hydraulic and couplings, and tyres categories have the greatest impact on owner satisfaction with their tractor's performance; however, satisfaction in the machine performance index is lowest in these categories.

The study also measures the problems owners experience with their new tractor across 88 problem areas. Problems are summarised as number of problems experienced per 100 tractors (PP100), with a lower score reflecting higher quality. The average in this year's study is 203 PP100. Nearly three-fourths (74%) of all problems reported are in four categories: engine and transmission; driving and operation; electrical; and hydraulics and couplings.

The most frequently cited problem areas include excessive or uneven tyre wear; hydraulic system hard to operate; engine overheating; and electrical wiring problems. Among those problems, tractor owners indicate that excessive or uneven tyre wear is the most bothersome problem. Excessive or uneven tyre wear is reported most frequently by owners who use such implements as a rotavator, cultivator or plough.

“While using implements clearly improves productivity, incorrectly matched implements can aggravate the number of problems related to tyres,” said Arora. “Tractor manufacturers should educate farmers on the correct use of implements that are properly matched to their tractors to minimise their grievances related to this problem. Simply trying to improve on product quality may not always yield the greatest improvement in owner satisfaction with the quality of their tractor if matching implements are not used with their tractors.”

India Tractor Customer Service Index Study

The study finds that only 8 percent of owners are contacted by their authorised dealer when their tractor requires routine maintenance. Among owners who take their tractor in for maintenance, the average wait time for service is 2.5 hours, with 19 percent of owners waiting more than one day for their tractor to be serviced.

“Dealers should be more proactive in reaching out to farmers to ensure their tractors are correctly maintained,” said Dr. Gordon Shields, director, J.D. Power Asia Pacific. “Encouraging customers to conduct regular maintenance on their tractors not only makes financial sense for the dealer, but it also reduces the number of tractor breakdowns and helps improve the overall uptime during busy periods.”

Fairness of pricing is the lowest rated measure, with 13 percent of owners indicating their charges were higher than expected. Additionally, only 21 percent of service customers indicate having received an explanation of the work performed on their tractor both before and after the service/repair was completed, underscoring the need for improved transparency regarding the cost and work performed by service engineers.

“With 70 percent of customers paying part or all of the customer service and repair work on their tractors, it is essential that service engineers spend time explaining the work being performed,” said Dr. Shields. “Moreover, dealers should also consider providing more payment options for farmers in order to help them spread out some of their payments over time, which may help them maintain their tractor on a more regular basis.”

Rankings

The India Tractor Product Performance Index Study ranks tractors in the following segments: below 31 horsepower; 31-40 horsepower; 41-50 horsepower; and above 50 horsepower.

Mahindra Swaraj ranks highest in the below 31 HP segment with a score of 833 and performs particularly well across all seven machine performance categories.

Mahindra ranks highest in the above 50 HP segment with a score of 856 and performs particularly well across all seven machine performance categories.

Eicher (826) ranks highest in the 31-40 HP segment and performs particularly well in six of the seven factors, while John Deere (832) ranks highest in the 41-50 HP segment and performs particularly well in five of the seven factors.

In the India Tractor Customer Service Index Study, New Holland ranks highest with a score of 794. New Holland performs particularly well in all four measures. Massey Ferguson ranks second with a score of 784, while John Deere and Sonalika rank third in a tie with a score of 778 each.

The studies are based on responses from 4,789 owners in India who purchased a new tractor between July 2012 and November 2013. The studies were fielded between July and November 2014 in 14 states across India.

In addition to the product, service and parts performance metrics, the studies provide detailed information on a series of key industry insights, including amongst others, brand awareness, tractor transaction prices, ownership costs, tractor rental revenues (agriculture and non-agriculture usage), farm sizes, agriculture income, crops and livestock managed, as well as, the applications and implements used and owned.

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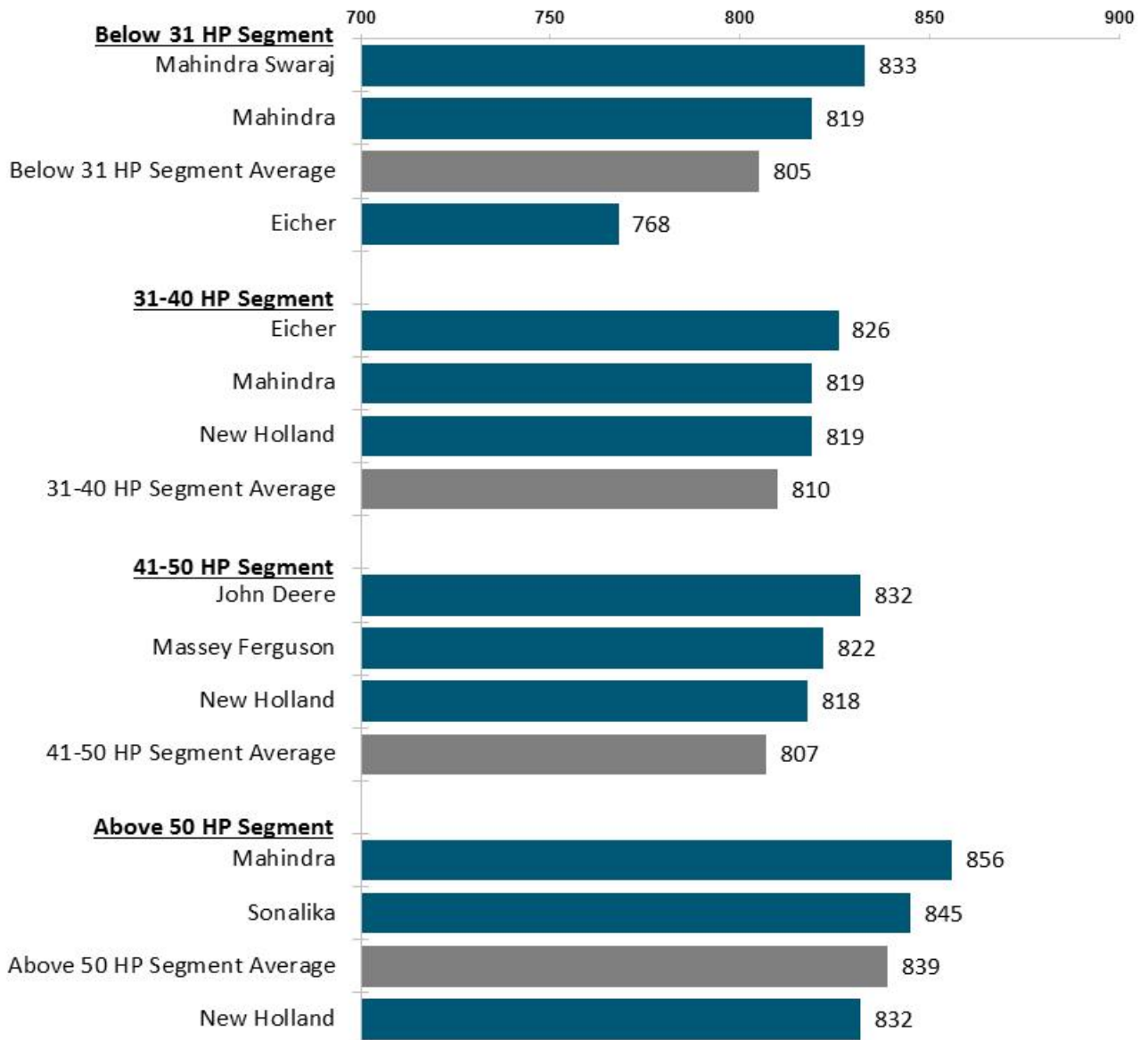
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NOTE: Two charts follow.

J.D. Power Asia Pacific 2015 India Tractor Product Performance Index (PPI) StudySM

Top Three Makes per Horsepower (HP) Segment (Based on a 1,000-point scale)



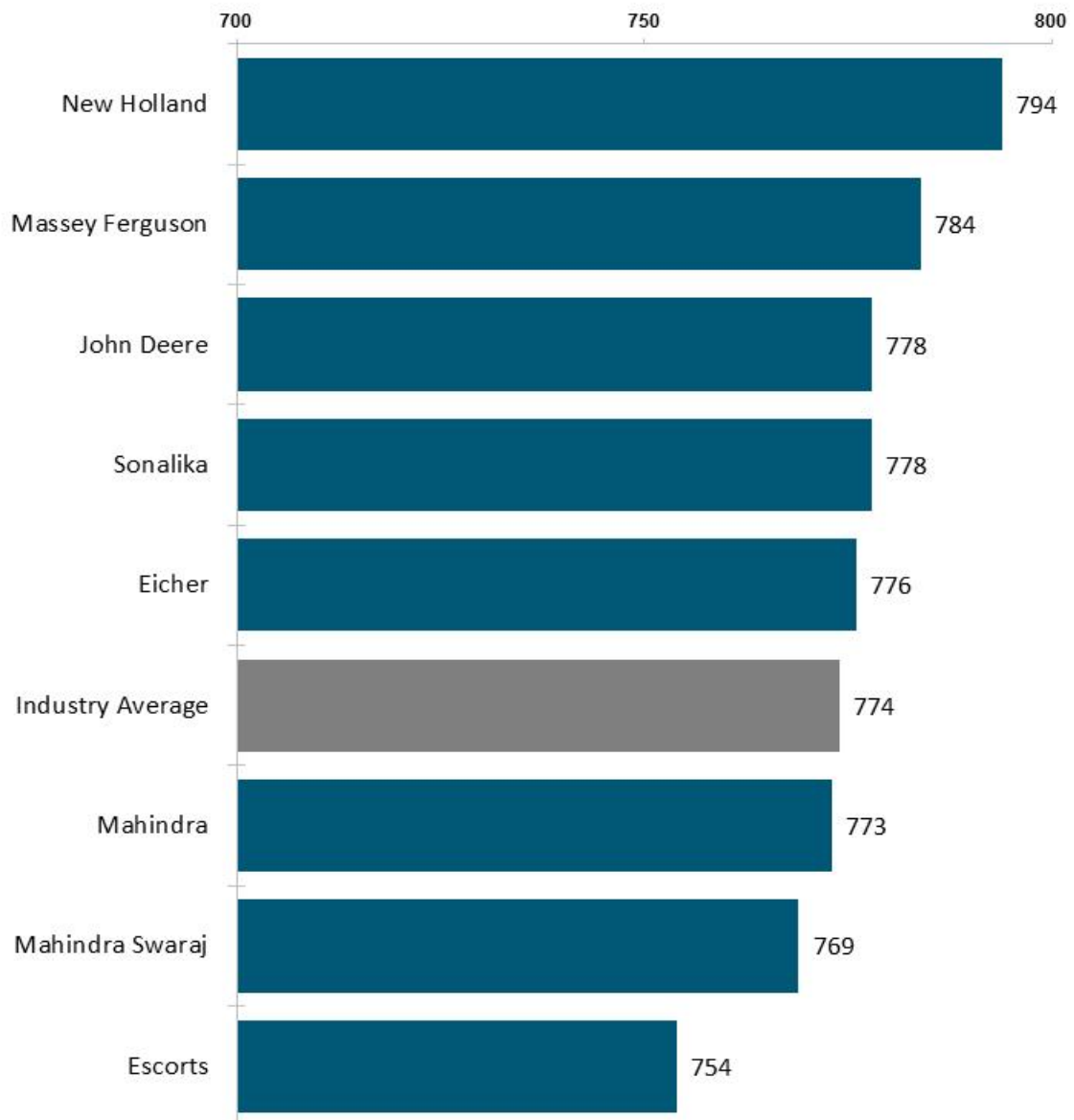
Note: Only the top three makes per segment are shown above. Official rankings are published only for segments with at least three makes with sufficient sample and at least one with a PPI score higher than segment average.

Source: J.D. Power Asia Pacific 2015 India Tractor Product Performance Index (PPI) StudySM

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J.D. Power Asia Pacific 2015 India Tractor Customer Service Index (CSI) StudySM

Customer Service Index Ranking (Based on a 1,000-point scale)



Source: J.D. Power Asia Pacific 2015 India Tractor Customer Service Index (CSI) StudySM

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