

Weak Market Sentiments Raise Customer Expectations of Tractor Product Performance and Quality in the India Tractor Industry, J.D. Power Study Finds

[John Deere Ranks Highest in 31-40 HP, 41-50 HP and >50 HP Segments;](#)
[Eicher Ranks Highest in Tractor Performance in <31 HP Segment](#)

New Delhi: 22 February 2016 — Satisfaction among tractor owners with the performance and quality of their machines declines across all four horsepower (HP) segments, as a weakened market sentiment in India influences heightened longer-term equipment reliability expectations, according to the J.D. Power 2016 India Tractor Product Performance Index (PPI) Study,SM released today.

The study, now in its second year, 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): hydraulic and couplings; driveability; engine and transmission; overall styling and design; driving comfort; tractor structure; and tyres. The quality and reliability index covers owners' experiences and ratings of actual and perceived quality issues.

At an overall industry level, tractor owners' satisfaction with product performance declines by 39 points to 771 on a 1,000-point scale in 2016, compared with 2015. The decline in satisfaction is reported in both the machine performance and quality and reliability indices.

"As weak signs of recovery subdue sentiments in the agriculture market in India, customers' expectations of their tractor's performance and quality have greatly intensified. Faced, on occasion, with acute financial problems, farmers now expect to own their tractors for a longer period (averaging 10 years) and defer their new tractor purchase until their income improves," said **Dr. Gordon Shields, director at J.D. Power**. "Tractor manufacturers need to ramp up their efforts to meet the rising expectations of customers on core performance and quality issues in order to improve the positioning and overall perceptions of the brand."

The study also measures the number of problems owners experience with their tractor across 88 problem areas. Problems are summarised as number of problems experienced per 100 tractors (PP100), with a lower score reflecting higher quality. A higher proportion of tractor owners in 2016 indicate experiencing a problem with their tractor, compared with 2015 (56% vs. 50%, respectively). The number of reported problems have also increased year over year as the average PP100 at the industry level is 245 PP100 in 2016, up from 203 PP100 last year.

"The problem severity has increased considerably this year. With farm incomes declining, owners are more critical of their machine's performance and quality, and have a much lower tolerance toward defects," said **Yukti Arora, manager at J.D. Power**. "With every expense being carefully scrutinized in light of dwindling incomes, manufacturers have to further focus their efforts on providing high quality and durable tractors to support their customers in often challenging circumstances."

The most frequently reported problem areas relate to tractor usage and operating economics and include (listed in order of occurrence): excessive or uneven tyre wear; bulb failed; gearshift hard to operate; brakes are noisy; and excessive fuel consumption.

Study 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.

Eicher ranks highest in the below 31 HP segment with a score of 787 points and performs particularly well across all seven machine performance categories.

John Deere ranks highest in all of the other HP segments, scoring 794 points in the 31-40 HP segment, 807 points in the 41-50 HP segment, and 821 points in the above 50 HP segment. John Deere performs particularly well across all seven machine performance categories in the 31-40 HP and 41-50 HP segments, and in the three machine performance categories in the above 50 HP segment.

Satisfaction Drives Loyalty

- Satisfaction with the overall ownership experience declines in 2016. Only 62% of tractor owners are pleased or delighted with the overall experience of owning their machines, compared with 69% in 2015.
- Additionally, 76% of highly satisfied customers (satisfaction scores of 864 or higher) indicate they “definitely would” recommend their tractor brand to a colleague or friend, compared with just 33% of dissatisfied customers (scores of 694 or lower) who say the same.

Performance by HP Segment

- Overall satisfaction for machine performance declines across all four HP segments from 2015.
- In the below 31 HP segment, the largest decline is in the hydraulics and couplings category at 51 index points.
- Engine and transmission has the biggest drop in satisfaction (-53 points) in the 31-40 HP segment.
- Driving comfort registers the largest dip in satisfaction (-36 points) among the machine performance categories in the 41-50 HP segment.
- For the above 50 HP segment, tractor structure shows the largest drop in satisfaction (-37 points) from 2015.

The 2016 India Tractor Product Performance Index Study is based on evaluations from 3,815 tractor owners across 14 states. The study was fielded from August 2015 to January 2016 and includes owners who purchased a new tractor between August 2013 and December 2014 from an authorized dealership.

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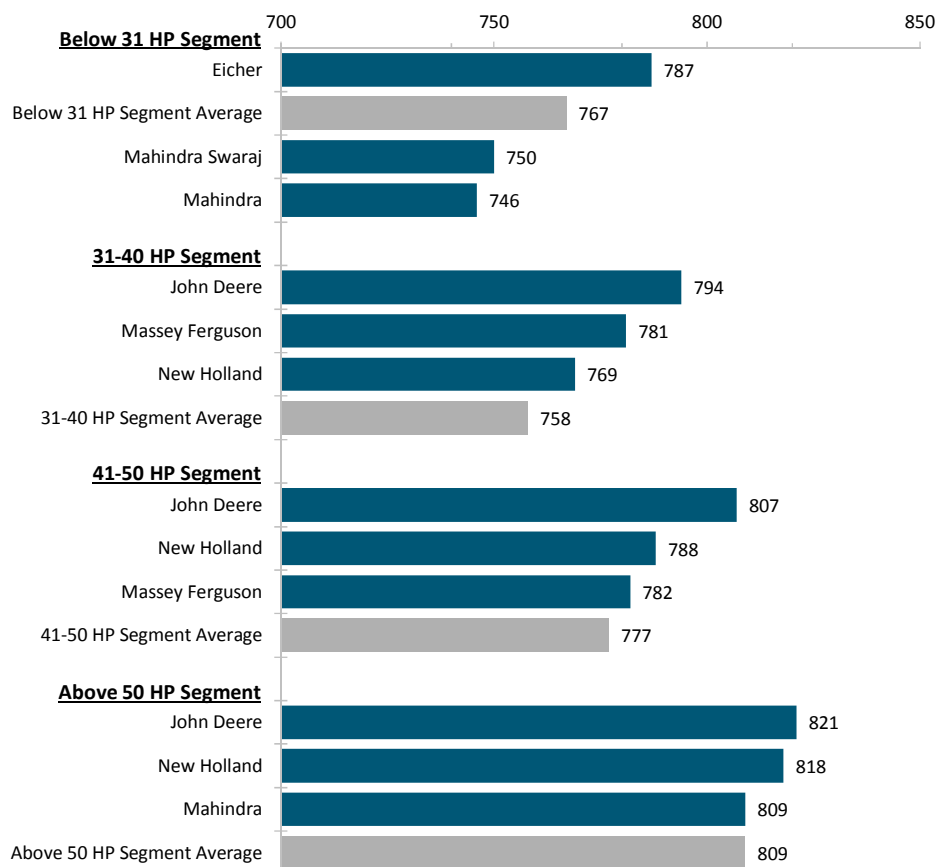
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Note: One chart follows.

J.D. Power 2016 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 2016 Tractor Product Performance Index (PPI) StudySM

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