

Vehicle Recall A Serious Issue for Toyota In China,

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But consumers approve handling of problems by the car manufacturer

The current recall hassle for Toyota has clearly a negative effect on the world's largest car maker's image in the mainland, but at this stage Chinese consumers don't abandon the Japanese car manufacturer.

This is the summarized outcome of a recent TNS Automotive survey of 500 mainland car owners and purchase intenders in China.

Despite the limited recall activities in the mainland, the large majority of Chinese car consumers (74 percent) are aware of Toyota's present difficulties. Almost every two out of three of these consumers acknowledge that their confidence in the Japanese car maker has been affected (62 percent) and that the current recall practice degrades their image perception of Toyota (64 percent).

Among Toyota owners, the impact is much less important though, as only a little less than one in every seven Toyota customers strongly agree on a degraded image perception and decrease in trust (15 percent each), compared with one out of every four car owners of competitor brands (27 percent and 25 percent respectively).

“Behind luxury car makers, Toyota enjoys one of the highest brand commitment levels among all car owners in China”, says Klaus Paur, Shanghai-based Regional Director Automotive for North Asia at TNS Research International. “This helps us to explain why Toyota owners still stand quite strongly by their brand, although they are considerably affected by the car maker's quality problems.”

Toyota car owners are also more inclined than competitor brand owners to believe that the current recall will impact the Japanese car maker only in the short term.

Three Toyota drivers out of ten (29 percent) think that the impact will only last 3 months, compared with less than one in every seventeen competitor brand owners (6 percent).

All Toyota car owners are confident that the impact of the current recall is fading after one year, while still one out of three competitor brand owners (34 percent) suppose a remaining impact up to two years and even more.

To note also that twice as much car purchase intenders than car owners believe in a short term impact of the current recall activities (21 percent vs. 9 percent).

While the recall practice indicates product quality issues, the large majority of car consumers (76 percent) agree that with the decision to recall its cars, Toyota demonstrates to be a responsible enterprise that reacts quickly and with a sincere attitude to the difficulties.

“This lets us think that Toyota is doing the right thing to be able to contain the damage caused by the various defaults recently uncovered”, concludes Paur. “The consequent recall exercise is the way to win back confidence in the market and regain an image of a maker of quality cars” provided that the series of harmful discoveries of new problems can be stopped.”

Graph: Impact of recall on Toyota in China

About this study

TNS Automotive China conducted this syndicated study about car consumer perceptions towards Toyota's recall activities between 6th and 9th February 2010. The results are based on 500 online interviews among car owners and first-time car purchase intenders across mainland China.

Shanghai - 11th February 2010