



Juke

## Enhancing Value for Stakeholders

Realizing Sustainable Development for People and Society

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## Enhancing Value for Stakeholders

## For Our Customers

The rating of a car and the value of an auto manufacturer's brand come entirely from the customer's appraisal of quality. At Nissan, we view "quality" as a multifaceted concept covering every single situation involving Nissan customers and their vehicles. To ensure overall advances in quality we make continual inspections and improvements in all areas with the aim of providing the products and services that consistently give maximum satisfaction to our customers.

### WORKING TO IMPROVE RELIABILITY

#### Comprehensive Improvement Through "Quality Leadership"

There are many aspects to the single word "quality." We consider anything involving our vehicles to be connected with this concept, from the condition of a vehicle and the customer's impression of the showroom salespeople's service to even the creation of a working environment in which every single Nissan employee can find fulfillment.

Nissan has established the four categories of "product quality," "perceived quality and attractiveness," "sales and service quality" and "quality of management," with the goal of becoming the auto industry leader in each category.

In April 2008 we launched the Nissan Excellence Program. Specific objectives and measures for improvement to be achieved by 2012 in each of the four categories are set out in our "Quality Leadership" program, and the company is united in its efforts to effectively improve quality in these categories. In our aim to become the leader in overall quality, we will continue to inspire trust and ensure satisfaction in all situations involving Nissan customers and their vehicles.

#### Product Quality: The Basis for Customer Trust

Product quality is the fundamental quality that allows our customers to enjoy years of safe, comfortable driving. We believe it is the customers who judge product quality. In order to improve product quality, we have set the goal of reaching the top level in the quality indices used by third-party organizations that most influence customers in the marketplace.

To implement improvements within Nissan via a faster cycle, our objective is to halve all of the following by 2012: the number of warranty claims that arise within three months of purchase, the incident rate of supplier parts, the breakdown rate (the rate of breakdowns on the road such that the customer judges that the car can no longer be driven and calls for road service) and the lead time from the occurrence of an incident to the preparation of countermeasures.

We aim to provide cars with a high level of customer satisfaction by paying careful heed to the increasingly diverse needs of our customers. To help us do this, we set up Field Quality Centers (FOCs) at development bases in Japan, Europe and the United States in 2007. These centers collect as many incident parts as possible, and they work with our design and production divisions and our suppliers to locate the cause of the problems and rapidly come up with solutions. We have also launched FOCs in China and India, and plan to open more in the future.

These efforts will ensure steady improvement of our product quality.

#### Perceived Quality and Attractiveness: Keys to Satisfaction

Perceived quality is the quality that customers feel when seeing, touching and using a vehicle. For example, when customers come to the showroom they open the vehicle doors, sit in the seats and check things like the texture of interior fittings. Nissan is carefully analyzing and quantifying what makes people perceive something they handle to be good, and has the goal of more than half of all Nissan models being at the top of their class in terms of perceived quality across all market segments.

However, the feeling of quality is a subjective matter, and fixing quantified criteria calls for very careful investigation. Nissan evaluates cars using the opinions of numerous in-house product monitors and specialists with in-house training. We also survey customers who have purchased or

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Please see our website for additional information on our quality initiatives.

<http://www.nissan-global.com/EN/QUALITY/>

are considering purchasing a Nissan car in order to fix criteria for quality evaluation from the customer's point of view.

While there is great diversity in customers' take on what quality means, we believe that culturing a better understanding of this will enable us to uncover common themes. On this basis, we are aiming for quality that will match as closely as possible the sensibilities of our customers.

### **Sales and Service Quality: Top-Level Customer Care**

Sales and service quality means giving our customers the sort of care that exceeds their expectations when they purchase a car or bring it in for servicing, thereby enhancing the Nissan brand. We are aiming for the highest level of customer satisfaction in our main regions of Japan, the United States and Europe and in four other major countries. We are currently working on four key initiatives aimed at boosting our sales and service quality: improving the knowledge and skills of our sales and technical staff at sales outlets; ensuring service that is fully in line with our customers' expectations when they purchase a car or bring a car in for servicing; strengthening Nissan management systems to support the quality activities of dealerships and showrooms; and fostering a customer-oriented mindset among Nissan employees. These four initiatives will be pivotal to our continuous and consistent activities to maximize customer satisfaction. (See page 65.)

### **Quality of Management: Supporting Our Activities**

Quality of management lets staff approach their work with a full understanding of company policy and with confidence in it. This employee understanding will help foster a sense of solidarity between them and management, leading to corporate growth. We are actively encouraging the understanding of Nissan strategies through direct communication, with initiatives that include opinion exchange sessions bringing the CEO or COO together with employees. (See page 59.)

As a way to improve quality of management we carry out attitude surveys of workers at the global level and publicize the results internally. These surveys aim for improved quality of management by bringing to light issues in all divisions and departments so that measures can be drawn up to resolve them. (See page 58.)

### **A Fair, Prompt Approach to Recalls**

It is the primary responsibility of the manufacturer to make every effort to ensure that product incidents do not occur in the first place. Nonetheless, manufacturing cars is an extraordinarily complex process, and there are occasions in which an incident, or the possibility of one, can occur unexpectedly. Our approach is to make recalls transparent and to handle them fairly and promptly. The decision to make a recall is based on our compliance with relevant laws and our consideration of how the incident may affect the safety of our customers. When Nissan judges that a recall is necessary, it is carried out swiftly to ensure that top priority is given to customers' safety and to minimizing any disruption.

### **Service and Support for Customers, Dealers**

Nissan opened its National Customer Service Center (NCSC) in March 2008 in Japan to make qualitative improvements to the service support it offers customers and dealerships. The NCSC consolidates our customer support hotline, dealership vehicle repair support and service technical support functions, which were previously spread over different parts of the country. The NCSC carries out tasks including providing expertise for maintenance and repair services, giving support to dealers for repairs, carrying out training in sheet-metal coating, collecting market data on incidents and acting as a center for customer inquiries. Initiatives adopted by the NCSC include collaboration with service technical support teams, digitization of product information and the introduction of a new call-handling system. Benefits include the provision of highly precise technical data and reduced waiting times for customers with telephone inquiries, resulting in an overall improvement in the quality of our response to customer inquiries.

## DIVERSITY IN OUR SALES OUTLETS

### Female Employees Meet Diverse Customer Needs

In Japan's automobile industry, the ratio of women in the workforce remains low. This situation does not reflect the reality of the consumer market, though, where women are deeply involved in the car purchasing process. Around a third of all vehicles sold in Japan each year are purchased by women, and in another third of cases a woman is involved in the buying decision; women thus play a role in at least two thirds of all car purchases. Nissan actively trains women to meet the demands presented by this situation and to reflect society's diversity in its own operations. In fiscal 2008, the ratio of female car-life advisors (CAs) was raised to 6%, roughly twice the ratio in fiscal 2003, and the ratio of female technical advisors (TAs) was raised to 13%, roughly twice the fiscal 2003 ratio.

Nissan is currently increasing the opportunities at domestic dealers for female CAs and TAs to put forward car-life proposals incorporating a female perspective through activities that include study meetings for female CAs and TAs to discuss ideas together.

### Bringing Mobility to All with Lifecare Vehicles

Nissan lifecare vehicles (LVs) help bring mobility to the elderly or those with physical disabilities. We regard LVs as an essential part of our lineup of cars rather than specialty vehicles, and we are enhancing the products and services available for customers who have such needs. As of the end of March 2010, in Japan there are 384 certified LV dealerships where customers can find these cars on display and a total of 5,882 advisory staff members who are specially trained LV experts. In this way we can respond to the needs of customers and offer the chance to test-drive LVs in every prefecture of the country.

Since 2003, we have also been carrying out an annual campaign of LV trial rides for families who have limited opportunities to get out and about, so that they too can experience the joy of mobility. In fiscal 2009 we gave trial rides to six groups of mobility-challenged people accompanied by friends or family members. Moreover, in March 2010 we invited children attending special-needs schools in the Kanto area, together with their family members, to touch and experience LVs directly, providing consultations at the Pacifico Yokohama.

## DESIGNING FOR HUMAN HEALTH AND EXCITEMENT

### Life on Board: Designing Cars Around People

Nissan's goal is to provide customers with new value in terms of comfort and quality throughout their driving experience. We pursue this goal by giving constant consideration to potential value inside the passenger cabin, which we examine from the separate perspectives of function and emotion. For example, the increasing complexity of dashboard functions in recent years has brought a concentration of large amounts of information around the driver's seat, giving rise to the demand for easy operation. In addition to adjusting the location and size of the buttons around the navigation system so that even first-time users can easily operate them, we are working on developing layouts for even more comfortable driving.

We also pay attention to the comfort of the seats and the onboard air conditioning, putting our research and development efforts on optimal interior environments to use in new products. An example of this is our Forest AC air conditioning system. We took a scientific approach to development, examining breezes, humidity, fragrance and other components of a wooded area's environment, and developed the world's first air conditioning system that lets customers feel the refreshing air of a forest inside their cars. The Forest AC is installed in the Fuga, marketed in Japan in November 2009.

The feel of the interior from the moment that the customer slides into the seat is also a vital element. We analyze and quantify the information we receive about customers' feelings on the look and feel of our vehicles from the viewpoints of "look," "touch" and "use," aiming to build vehicles with quality finish and a comfortable riding experience.

Nissan has consolidated these initiatives into the "Life on Board" concept. While the experience of driving varies from person to person, we carry out research and development based on the idea that we can find universality if we increase our understanding of the feelings of various people. This approach to making cars goes a step beyond the concepts of "usability" and "understandability" generally associated with universal design; it involves thorough investigation of the essence of "people," or to put it another way, an enhanced mastery of what makes us human.

Nissan aims to build cars that exceed customers' expectations.

### **Sharing the Passion of Motor Sports**

Nissan takes part in a variety of motor sport activities around the world. These include Japan's most popular grand touring car race, the Super GT Series, and events abroad, such as the FIA GT1 World Championship and the China Touring Car Championship.

In 2006 we started the Nissan Driver Development Program, which fosters young drivers to support motor sports. During the 2010 racing season, Nissan is giving its support to six scholarship racers, aged 17 to 22, competing in championship racing in Japan.