

Car Dealer Service Quality Holds Key to Customer Loyalty, J.D. Power Study Finds

Mercedes-Benz Ranks Highest among Premium Brands; Toyota Ranks Highest among Volume Brands

LONDON: 8 June 2016 — The automobile dealership service department is the No. 1 determinant of customer satisfaction and dealership loyalty, according to the J.D. Power 2016 UK Customer Service Index (CSI) Study,SM released today.

Among highly satisfied customers (overall satisfaction scores of 900 or higher on a 1,000-point scale), 92% say they “definitely will” return to the same service facility for future warranty service (work they do not have to pay for), and 83% say they “definitely will” return for future paid service (work they do have to pay for). When satisfaction slips just slightly (800-899), intended loyalty drops to 74% for warranty service and 58% for paid service.

“When auto dealerships manage to get the service department’s customer service equation right, they earn incredibly loyal customers,” said **Dr. Axel Sprenger, senior director of European automotive operations at J.D. Power**. “The service event is also instrumental in driving sales, as it is likely the most recent experience the customer has had at the dealer prior to shopping for a new vehicle.”

According to the study, 78% of customers who are highly satisfied with their service experience say they “definitely will” purchase or lease their next new vehicle from the servicing dealership. When service satisfaction drops to 800-899, intended purchase loyalty dips to 44% and tumbles to 23% when satisfaction is between 600 and 799.

Following are additional key findings of the study:

- **Service Advisor Can Make or Break Satisfaction:** When the service advisor greets customers immediately upon their arrival, it can improve service satisfaction by as much as 48 points; yet, 61% of customers indicate they had to wait for a greeting. When the service advisor knows the customer’s vehicle history and the customer says the service advisor is completely focused on their needs, service satisfaction can increase by as much as 46 and 56 points, respectively. Additionally, while only 34% of customers indicate their service advisor used a tablet during their service visit, overall satisfaction can increase by as much as 31 points when the advisor uses this device.
- **Pick-Up Process Is Important:** Service customers in the UK spend an average of 9 minutes to finish the paperwork and pick up their vehicle after maintenance or repairs. Overall satisfaction is highest (778) among the 53% of service customers who indicate the pick-up process took 5 or fewer minutes. Satisfaction drops to 750 among the 28% of customers who say the process took 6 to 10 minutes and dips to 714 among the 9% who say it took 11 to 15 minutes.
- **Transparency on Work Provided and Cost Is Valued:** Overall satisfaction averages 742 among the 81% of customers who received an explanation of the charges after service was completed, compared with 653 among those who did not receive an explanation. Similarly, overall satisfaction is 741 among the 84% of customers who received an explanation of the work performed on their vehicle, compared with 637 among those who did not receive an explanation.

Satisfaction and Brand Rankings

Overall customer satisfaction with dealer service, which is based solely on the first three years of ownership, averages 761 in the premium brand segment in 2016, the same as in 2015, and 744 in the volume brand segment, up from 737.

Mercedes-Benz ranks highest among premium brands, with a score of 774, an 18-point improvement from 2015 when it ranked fourth. Mercedes-Benz is followed by **Land Rover** (773) and **Audi** (761).

Toyota ranks highest among volume brands, with a score of 776, a 17-point improvement from 2015. **Honda** ranks second (775), followed by **Kia** (765), **MINI** (757) and **Suzuki** (753).

The study, now in its second year, measures UK customer satisfaction with their service experience at a franchised dealer facility for maintenance and repair work. The study explores customer satisfaction with their service dealer by examining five measures (listed in order of importance): service quality (26%); service initiation (23%); service advisor (19%); vehicle pick-up (17%); and service facility (16%).

The 2016 UK Customer Service Index Study is based 8,478 respondents who registered their new vehicle between February 2013 and April 2015. The study was fielded from February through April 2016.

See the online press release at <http://www.jdpower.com/press-releases/2016-uk-customer-service-index-csi-study>

Media Relations Contacts

Fraser Walters; Edelman; London; +44 (0)203 047 2480; fraser.walters@edelman.com
Mark Williams; Edelman; London; +44 (0)203 047 4079; mark.williams@edelman.com
John Tews; J.D. Power; Troy, Mich., USA; +1 248-680-6218; media.relations@jdpa.com

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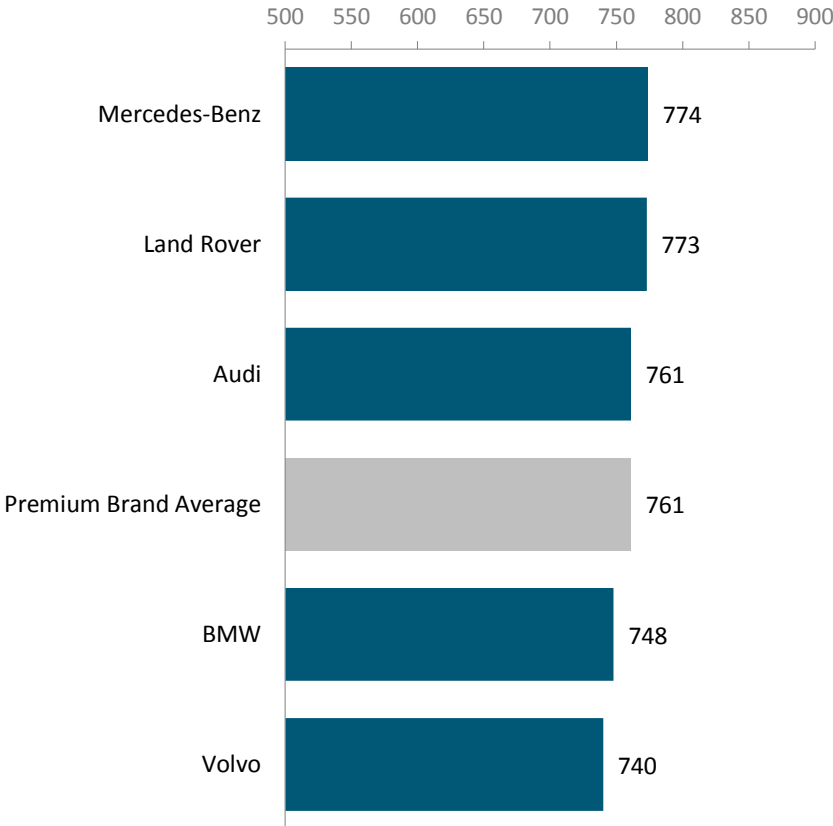
(Page 2 of 2)

NOTE: Two charts follow.

J.D. Power 2016 UK Customer Service Index (CSI) StudySM

Customer Service Index Ranking Premium Brands

(Based on a 1,000-point scale)



Note: Included in the study but not ranked to due to small sample size is Jaguar.

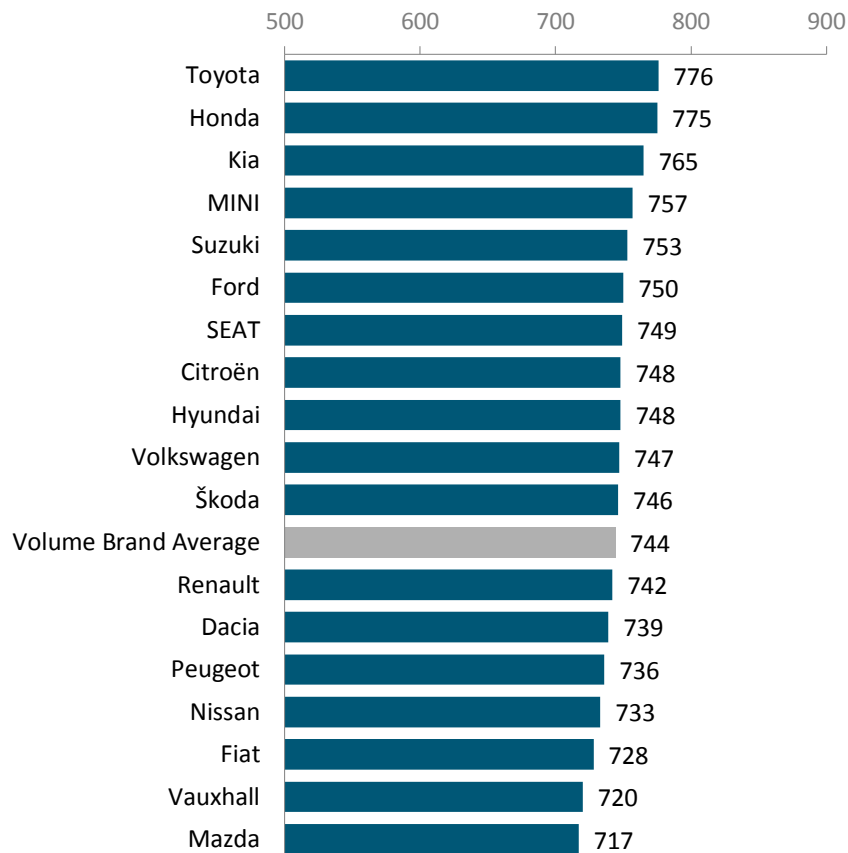
Source: J.D. Power 2016 UK Customer Service Index (CSI) StudySM

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J.D. Power 2016 UK Customer Service Index (CSI) StudySM

Customer Service Index Ranking Volume Brands

(Based on a 1,000-point scale)



Note: Included in the study but not ranked to due to small sample size is Mitsubishi.

Source: J.D. Power 2016 UK Customer Service Index (CSI) StudySM

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