

Word of Mouth Key to Attracting Younger Customers for Dealer Service, J.D. Power Finds

BMW Ranks Highest among Premium Brands; Peugeot Ranks Highest among Volume Brands

MUNICH: 27 June 2018 — Young vehicle owners are less likely than older owners to have a dealership to which they are loyal for service, so they often rely on recommendations from friends and family, according to the J.D. Power 2018 Germany Customer Service Index (CSI) Study,SM released today. Additionally, overall satisfaction scores, which are based on a 1,000-point scale, improve 8 points from 2017.

“As word of mouth recommendations continue to grow in importance compared with personal experience, it’s crucial that automobile brands and dealerships provide highly satisfying experiences that turn customers into active promoters,” said **Josh Halliburton, Vice President and Head of European Operations at J.D. Power**. “Manufacturers and dealerships also need to understand the motivation of younger owners now in order to develop long-term loyalty.”

Following are some key findings of the 2018 study:

- **Customer recommendations:** Only 25% of “Generation Z”¹ vehicle service customers indicate choosing their servicing dealer based on having prior experience with a service department, while 52% of “Boomers” say they chose their servicing dealer based on prior experience with a service department. However, “Generation Z” customers are more likely than “Boomers” to choose a servicing dealer based on a recommendation from a friend or relative (38% vs. 25%).
- **Brand promoters are loyal customers:** Customers who fall into the promoter category—customers who give a 9 or 10 on a 0-10 scale for likelihood to recommend their vehicle—are three times as likely to return to the dealer for service, and nearly five times as likely to repurchase the same brand of vehicle than detractors. Dealers that provide highly satisfying service experiences are likely to benefit from positive word of mouth, which is vital to attracting new, young customers and creating repeat customers for vehicle servicing and new-vehicle sales.
- **Communication is time well spent:** Customers derive good value from having their service and charges explained to them. Among customers who spend 11-15 minutes to finish their paperwork and receive an explanation of the work, vehicle pick-up satisfaction averages 773. Among customers who spend 0-5 minutes to finish their paperwork but receive no explanation, satisfaction averages 753.

Satisfaction and Brand Rankings

BMW ranks highest among premium brands, with a score of 787, a 29-point improvement from 2017. **Mercedes-Benz** (781) ranks second and **Audi** (770) ranks third.

¹ J.D. Power defines generational groups as Pre-Boomers (born before 1946); Boomers (1946-1964); Generation X (1965-1976); Generation Y (1977-1994); and Generation Z (1995-2004).

Peugeot ranks highest among volume brands with a score of 797, a 36-point improvement from 2017. **Citroën** ranks second (789) and **Nissan** (779) ranks third.

The Germany Customer Service Index Study, now in its fourth year, measures 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 (18%); and service facility (14%).

The study is based on data collected from 8,732 respondents who registered their new vehicle between February 2015 and April 2017. The study was fielded in February-April 2018.

See the online press release at <http://www.jdpower.com/pr-id/2018090>.

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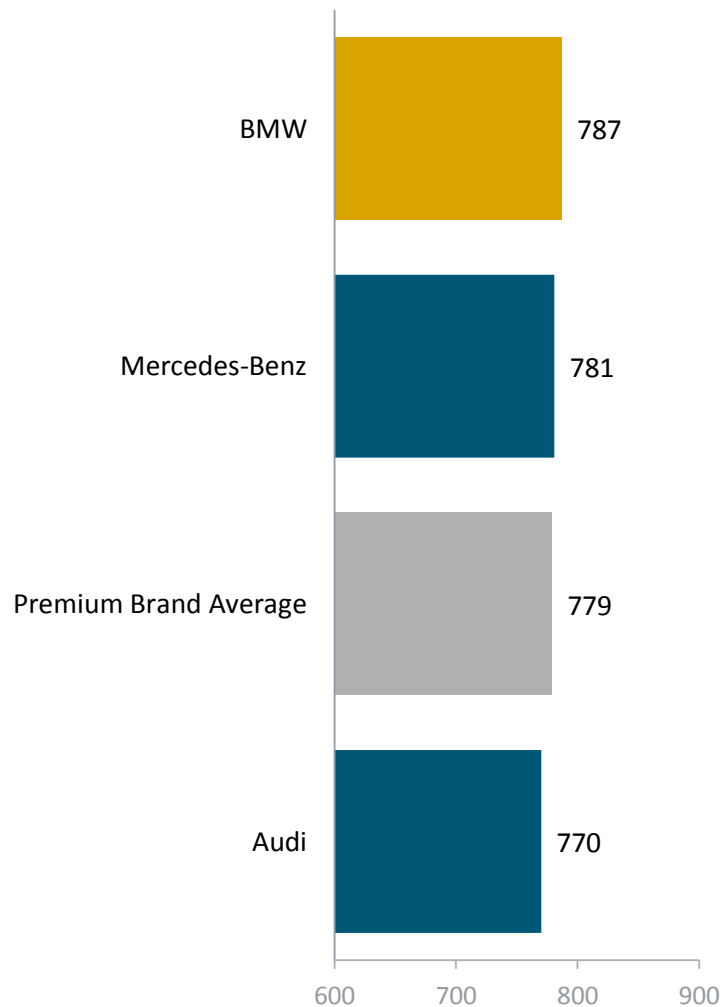
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NOTE: Two charts follow.

J.D. Power 2018 Germany Customer Service Index (CSI) StudySM

Overall Satisfaction Index Ranking Premium Brands

(Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size is Volvo. Included in the study but not ranked due to insufficient sample is Porsche.

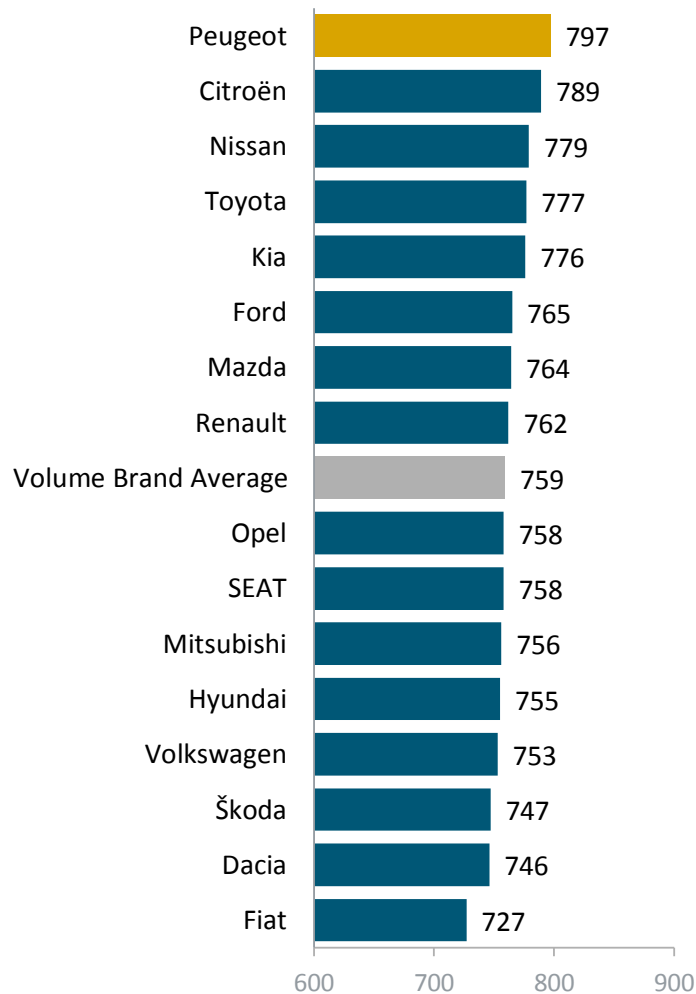
Source: J.D. Power 2018 Germany Customer Service Index (CSI) StudySM

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J.D. Power 2018 Germany Customer Service Index (CSI) StudySM

Overall Satisfaction Index Ranking Volume Brands

(Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are Honda, MINI, smart and Suzuki. Included in the study but not ranked due to insufficient sample is Jeep.

Source: J.D. Power 2018 Germany Customer Service Index (CSI) StudySM

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