

**J.D. Power Reports:
Delighting Customers Unlocks Significant Revenue Potential for Vehicle Service Providers in Canada**

Lexus Dealerships Rank Highest in Customer Satisfaction among Owners of 4- to 12-Year-Old Vehicles

WESTLAKE VILLAGE, Calif.: 26 August 2015 — Delighting customers by providing an outstanding service experience generates high levels of retention and unlocks significant revenue potential for vehicle service providers in Canada, according to the J.D. Power 2015 Canadian Customer Service Index Long-Term (CSI-LT) StudySM released today.

The study, which measures the service experience, satisfaction and intended loyalty among owners of vehicles that are 4 to 12 years old, analyzes the customer experience from both warranty and non-warranty service occasions. Overall satisfaction is based on the combined index scores of five factors that comprise the overall service experience (in order of importance): service initiation (24%); service quality (23%); service advisor (20%); service facility (17%); and vehicle pick-up (16%). Scores for each factor are reflected in an index based on a 1,000-point scale.

Overall customer satisfaction with automotive dealerships is 731, and satisfaction with aftermarket shops is 749.

Among vehicle owners who are “delighted” with their most recent service experience (with an overall satisfaction rating of 10 on a 10-point scale), 93 percent say they “definitely will” return to the service facility for work they are willing to pay for, compared with only 61 percent among those who rate their last service visit 8.

“This underscores the importance for Canadian vehicle service facilities to focus on providing a consistently outstanding customer experience,” said **J.D. Ney, manager of the Canadian automotive practice at J.D. Power**. “There is a significant opportunity to improve the service experience, as just 15 percent of all service occasions in the past 12 months resulted in an overall customer satisfaction rating of 10, compared with 67 percent of service occasions rated 8 or below, among whom only 40 percent say they ‘definitely will’ return.”

Ney noted that to maximize satisfaction, service facilities should focus on the key performance indicators (KPIs) that generate the most positive impact on the customer experience. The top three performance measures and their impact on satisfaction scores include being completely focused on the customer’s needs (+63 points); providing an appointment on the day desired (+56); and providing helpful advice (+53). These KPIs have long been a focus for Canadian service facilities, as their average completion rate of at least 80 percent is already very high. However, among the top 10 KPIs measured in the study, there are three performance processes that are completed less than 80 percent of the time, creating a significant opportunity for service facilities to improve customer satisfaction. These KPIs include having the customer speak to an advisor immediately on arrival (+43 points; 44% completion); keeping customers informed on the status of their vehicle (+36; 75%); and contacting customers after the service occasion (+29; 38%).

Nearly half (46%) of owners of older vehicles exclusively selected an aftermarket facility for their service needs in the past year; a further 33 percent used only an original equipment manufacturer (OEM) dealer facility; and the remaining 21 percent took their vehicle to both an aftermarket and OEM dealer facility. That remaining 21 percent of owners represents a key battleground for vehicle service market share and a significant revenue potential for service providers in Canada. On average, owners of older vehicles who visit a service facility at least once—either a dealership or other service facility—make 1.2 visits to a dealer and 1.8 visits to a non-dealer per year. The average amount these customers spend per service visit is \$232. At an average of three visits per year, each customer represents nearly \$700, making the 21 percent battleground customers worth more than \$1.5 billion in annual potential revenue for service providers.

KEY FINDINGS

- Customer satisfaction and the amount spent on a service visit increase when a service advisor properly educates customers on additional work that may be required. In fact, study results show that 46 percent of owners of 4- to 12-year-old vehicles indicate their service advisor recommended additional work. Of this group, nearly half authorized the work to be completed, spending an average of \$527 on the visit, compared with an average of \$225 among those who were not advised of additional work.
- Dealers are more likely than aftermarket providers to perform a multi-point inspection on vehicles (77% vs. 70%, respectively) and to have an advantage in knowing a customer's service history (85% vs. 76%). Performing inspections more frequently and knowing a vehicle's service history helps service facilities make more informed service recommendations, opening significant potential revenue opportunities.

Study Rankings

Lexus Dealerships rank highest in satisfying automotive service customers in Canada, with an overall satisfaction score of 809. **NAPA AUTOPRO** ranks second at 775, and **Volkswagen Dealerships** rank third at 772.

The 2015 Canadian Customer Service Index Long-Term (CSI-LT) Study is based on responses from more than 11,000 owners in Canada whose vehicle is between 4 and 12 years old. The study was fielded in March-April and May-June 2015.

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(Page 2 of 2)

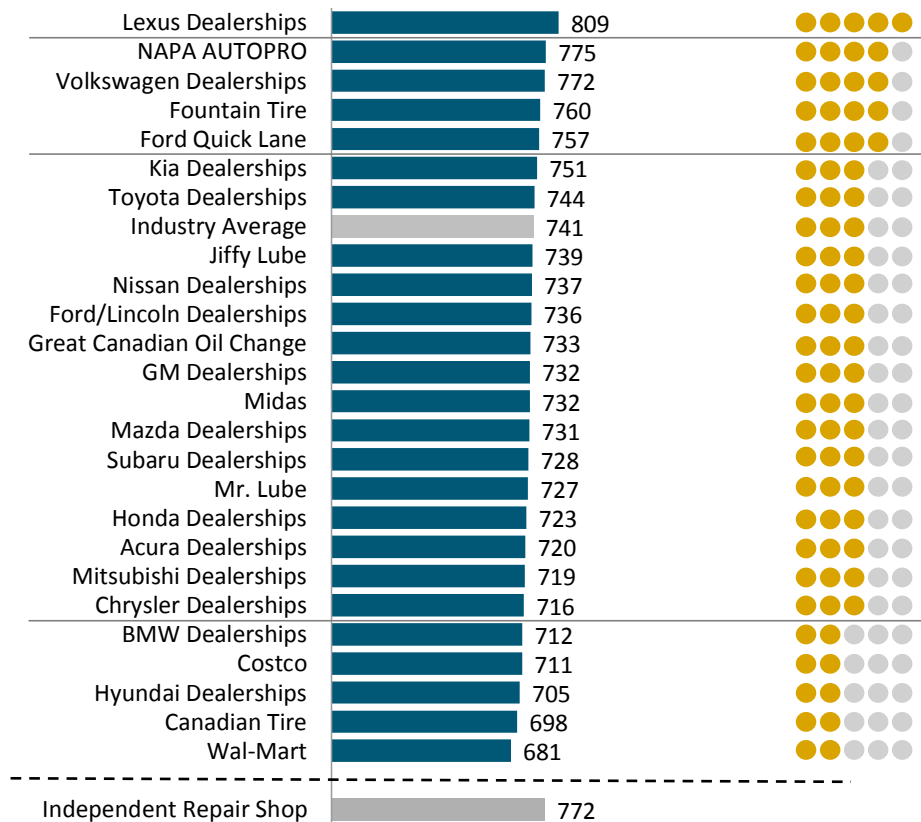
Note: One chart follows.

J.D. Power 2015 Canadian Customer Service Index Long-Term (CSI-LT) StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Note: Included in the study but not ranked due to small sample size are Active Green & Ross, Audi Dealership, Goodyear Auto Centre, Kal Tire, Meineke Car Care Centre, Mercedes-Benz Dealership, Ok Tire, Speedy, Suzuki Dealership and Volvo Dealership. Independent Repair shop has sufficient sample, but cannot be ranked.

Source: J.D. Power 2015 Canadian Customer Service Index Long-Term (CSI-LT) StudySM

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