

J.D. Power Reports: Customer Satisfaction with Automotive Service at Dealerships and Aftermarket Shops Improves

NAPA AUTOPRO and Lexus Dealerships Rank Highest in a Tie in Customer Satisfaction among Service Providers

TORONTO 14 August 2013 — In an ultra-competitive market, automotive dealerships and aftermarket shops are expanding the range of products and services they offer as they search for ways to attract and retain customers, according to the J.D. Power 2013 Canadian Customer Commitment Index StudySM released today, which measures the service behaviours, satisfaction and loyalty of owners of vehicles that are four to 12 years old.

Dealerships, for example, are adding service bays focused on providing quick oil changes, and aftermarket shops that have traditionally focused on mufflers and brakes are adding oil changes and tire service to their services.

“There is a convergence going as the service departments fight for market share,” said J.D. Ney, supervisor of the Canadian automotive practice at J.D. Power. “Service providers don’t want to give customers any reason to go anywhere else, so they’re offering a full or wider spectrum of products and services to attract them and keep them coming back.”

Customers are increasingly pleased with the results of both service options. Overall customer satisfaction with the service they receive at dealerships as well as the automotive aftermarket averages 830 in 2013, up slightly from 827 in 2012. However, customers with vehicles in the four to 12-year age range are, on average, more satisfied with their experiences with aftermarket shops than they are with the service they receive at dealerships (842 vs. 817, respectively).

“The study finds that owners take their vehicle to the dealership for the majority of their maintenance and repair work when it is new, but are increasingly likely to visit the aftermarket as the vehicle ages and the warranty expires,” said Ney. “Part of the reason for that is owners have a perception that aftermarket shops provide significantly cheaper service. However, while most owners find the cost isn’t appreciably different, their satisfaction remains high. This would indicate the aftermarket is providing high-quality service first and foremost as well as doing a good job in terms of highlighting and selling the value of their work.”

Customer perception of the quality of work completed is higher in the aftermarket (842), compared with the dealership (810). The study finds that customers spend an average of \$232 per visit for service at an aftermarket shop, compared with \$264 per visit for service at the dealership—a difference in cost which represents less than the sales tax.

The percentage of customers whose final invoice was on par with their expectations (a critical driver of cost-related dissatisfaction) differs between the dealership and aftermarket service options. Slightly more than one-fourth (26%) of customers who took their vehicle to the dealership for service indicate their final bill was higher than expected, compared with 16 percent of aftermarket customers who indicate the same. The corollary is, when asked to rate the fairness of those charges, 27 percent of those who took their vehicle for service in the aftermarket rate the fairness of charges a 10 out of 10, whereas the same is true for only 20 percent of those took their vehicle to the dealer for service.

When it comes to satisfying service customers, dealers arguably have more at stake. Customers satisfied with their service experience are significantly more likely to buy the same brand the next time they purchase a new vehicle, something the aftermarket doesn't have to consider. For example, among customers who are highly satisfied (average overall customer satisfaction of 900 or greater) with their dealer service experience, 79 percent indicate that they are "likely" to purchase the same brand of vehicle next time, while 46 percent of customers who are highly unsatisfied (average overall customer satisfaction of 500 or less) with their dealer service experience indicate the same.

"The service dealerships provide in the back of their store affects the sales in the front of their store," said Ney. "The service department is their most recent experience with the dealership, and that's what's top of mind when the customer is in the market for a new vehicle. A good service experience will help keep them loyal, but a bad service experience will send them shopping elsewhere."

Canadian Customer Commitment Rankings

NAPA AUTOPRO and Lexus Dealerships rank highest (in a tie) in satisfying automotive service customers in Canada with an overall index score of 863. This is the third consecutive year that NAPA AUTOPRO has ranked highest.

Rounding out the five highest-ranked brands are Great Canadian Oil Change (861); Volkswagen Dealerships (840); and Fountain Tire (838).

The 2013 Canadian Customer Commitment Index Study is based on responses from more than 21,600 owners in Canada whose vehicle is between four and 12 years old. The study was fielded in March 2013 and in June 2013.

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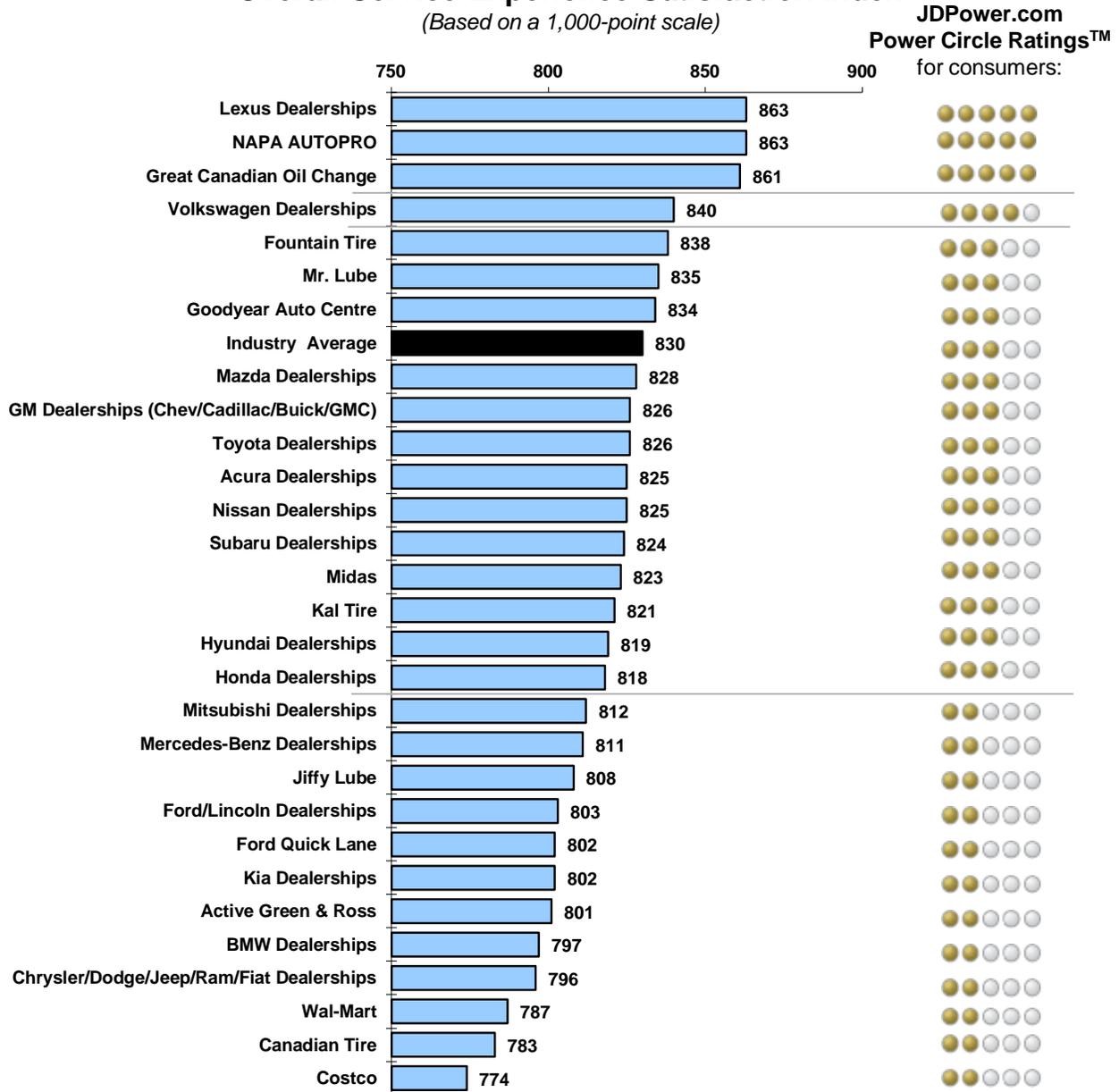
Note: One chart follows.

J.D. Power

2013 Canadian Customer Commitment Index StudySM

Overall Service Experience Satisfaction Index

(Based on a 1,000-point scale)



Source: J.D. Power 2013 Canadian Customer Commitment Index StudySM

Power Circle Ratings Legend

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

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