

Vehicle Service Market in Canada Rebounds to Surpass Pre-Pandemic Levels, J.D. Power FindsLexus Dealerships and NAPA AUTOPRO Rank Highest in Respective Segments

TORONTO: 8 Sept. 2022– As vehicle owners in Canada transition to a post-pandemic world and gradually return to pre-pandemic driving routines, the auto service industry is in a position to see a strong rebound among 4- to 12-year-old used vehicles, according to the J.D. Power 2022 Canada Customer Service Index—Long-Term (CSI-LT) Study,SM released today. Based on the study's findings, the industry's market value is expected to reach \$10.9 billion, up from \$6.6 billion in 2021 and \$10 billion in 2019.

This boom in the Canadian auto maintenance and repair business is mainly driven by the increase in the average cost per visit to the auto shop. Both dealerships and aftermarket service providers experienced better top line revenue this year, as the per-visit spend at dealerships increased to \$394 from \$332 in 2021 and the per-visit spend at aftermarket shops increased to \$247 from \$226 a year ago. But while the two segments managed to increase per-service spend, dealerships also experienced an increase in the number of average annual visits (1.5 in 2022 vs. 1.1 in 2021), accounting for 47% of all service visits and capturing the larger share—58%—of industry revenue, reversing market share gains at aftermarket shops in 2021. What's more, the aftermarket segment continues its downward trend that began in 2019 with a decrease in annual visits, down to 1.2 this year from 1.3 in 2021.

"There are a few factors that contribute to the massive resurgence in both the volume and value of activity in the vehicle maintenance industry," said **J.D. Ney, automotive practice lead at J.D. Power Canada**. "In addition to driving more, some owners are catching up on repairs that were put on hold because of the pandemic and others are hanging on to their vehicles longer due to inventory shortages and the high price of used cars. While auto service shops are doing well, they are not immune to other pandemic-related effects such as a tight labour market and the challenges of attracting and retaining technicians. While this has not affected overall satisfaction in the short term, we do see some leading indicators in this year's study, such as a decline in fixed right first time and appointment on day desired diagnostic metrics. Clearly, the automotive service industry is not immune to these larger macro-economic forces."

According to the study, the percentage of aftermarket customers who said that all service work was completed right the first time declined to 95% from 97% in 2019. The dealership service segment had a lower percentage of customers (94%) citing service completion on the first visit, similar to the pre-pandemic level of 2019.

Following are some key findings of the 2022 study:

- **Customer experience and convenience drive loyalty:** Whether customers choose to visit a dealership shop or an aftermarket service provider facility, the top three reasons for their decisions are the same: positive prior experience with the service department; convenience of location; and word of mouth recommendation from family or friends.
- **Customer trust starts with great first impression:** The auto service provider's facility plays a key role in creating a good first impression. A customer's trust in their auto-service provider trends upward in correlation to satisfaction with the service facility. Trust level of customers who are not satisfied with the service facility (3.06 on a 7-point scale) was significantly lower than those who were very satisfied with the facility (6.82).

Study Rankings

In the dealership service segment, **Lexus Dealerships** ranks highest in customer service satisfaction with a score of 829. **Mercedes-Benz Dealerships** (824) ranks second and **GM Dealerships** (818) ranks third.

In the aftermarket service segment, **NAPA AUTOPRO** ranks highest in customer service satisfaction with a score of 868. **Great Canadian Oil Change** (826) ranks second and **Midas** (813) ranks third.

The Canada Customer Service Index—Long-Term (CSI-LT) Study measures service usage and satisfaction among owners of vehicles that are 4 to 12 years old and analyzes the customer experience in both warranty and non-warranty service visits. Overall satisfaction is based on five factors (in order of importance): service quality (32%); vehicle pick-up (20%); service facility (17%); service initiation (16%); and service advisor (15%). The study is based on responses from 8,605 owners and was fielded from April through June 2022.

For more information about the Canada Customer Service Index—Long-Term (CSI-LT) Study, visit <https://canada.jdpower.com/automotive/canada-customer-service-index-long-term-study>.

See the online press release at <http://www.jdpower.com/pr-id/2022116>.

About J.D. Power

J.D. Power is a global leader in consumer insights, advisory services and data and analytics. A pioneer in the use of big data, artificial intelligence (AI) and algorithmic modeling capabilities to understand consumer behaviour, J.D. Power has been delivering incisive industry intelligence on customer interactions with brands and products for more than 50 years. The world's leading businesses across major industries rely on J.D. Power to guide their customer-facing strategies.

J.D. Power has offices in North America, Europe and Asia Pacific. To learn more about the company's business offerings, visit <https://canada.jdpower.com/>.

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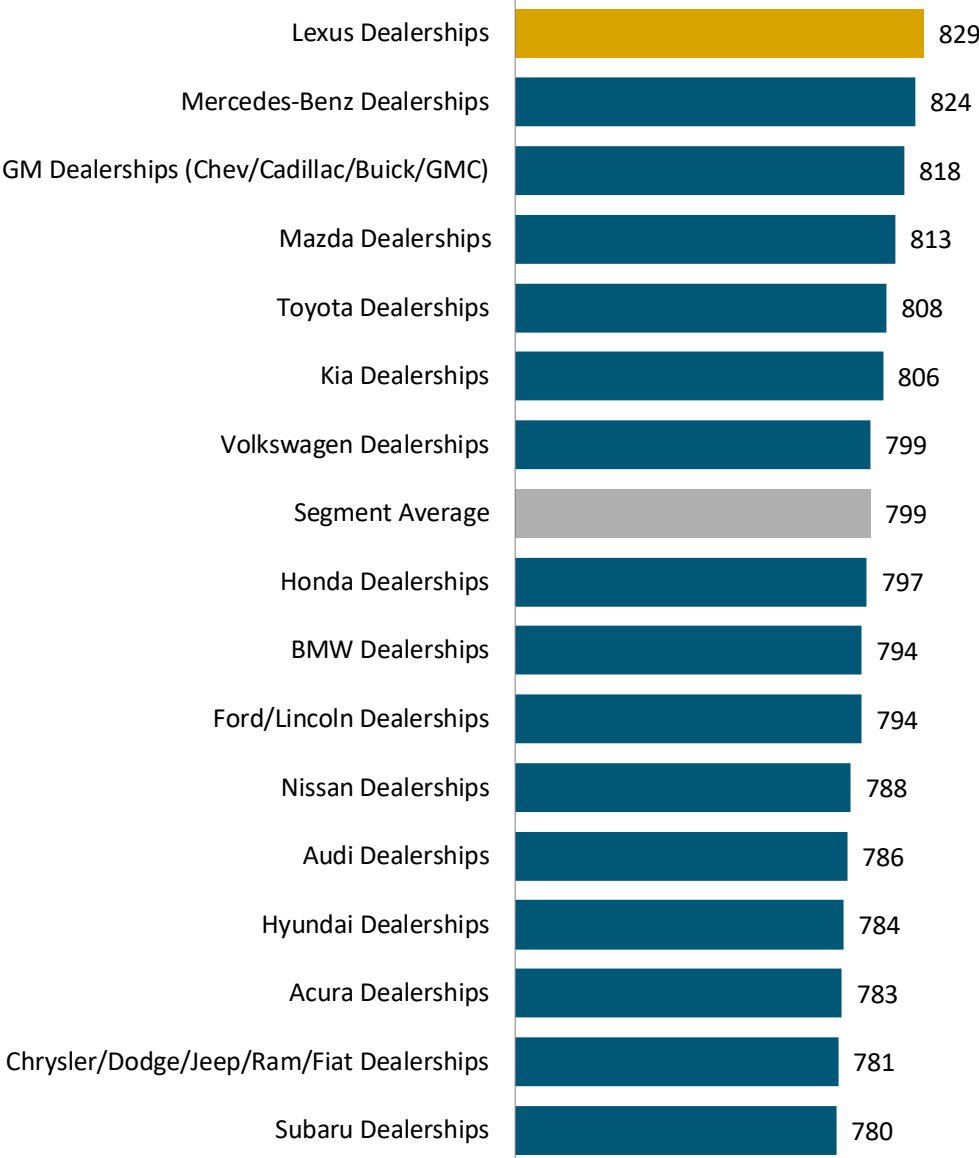
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NOTE: Two charts follow.

J.D. Power 2022 Canada Customer Service Index (CSI) StudySM—Long-Term

Dealership Service Index Ranking (Based on a 1,000-point scale)



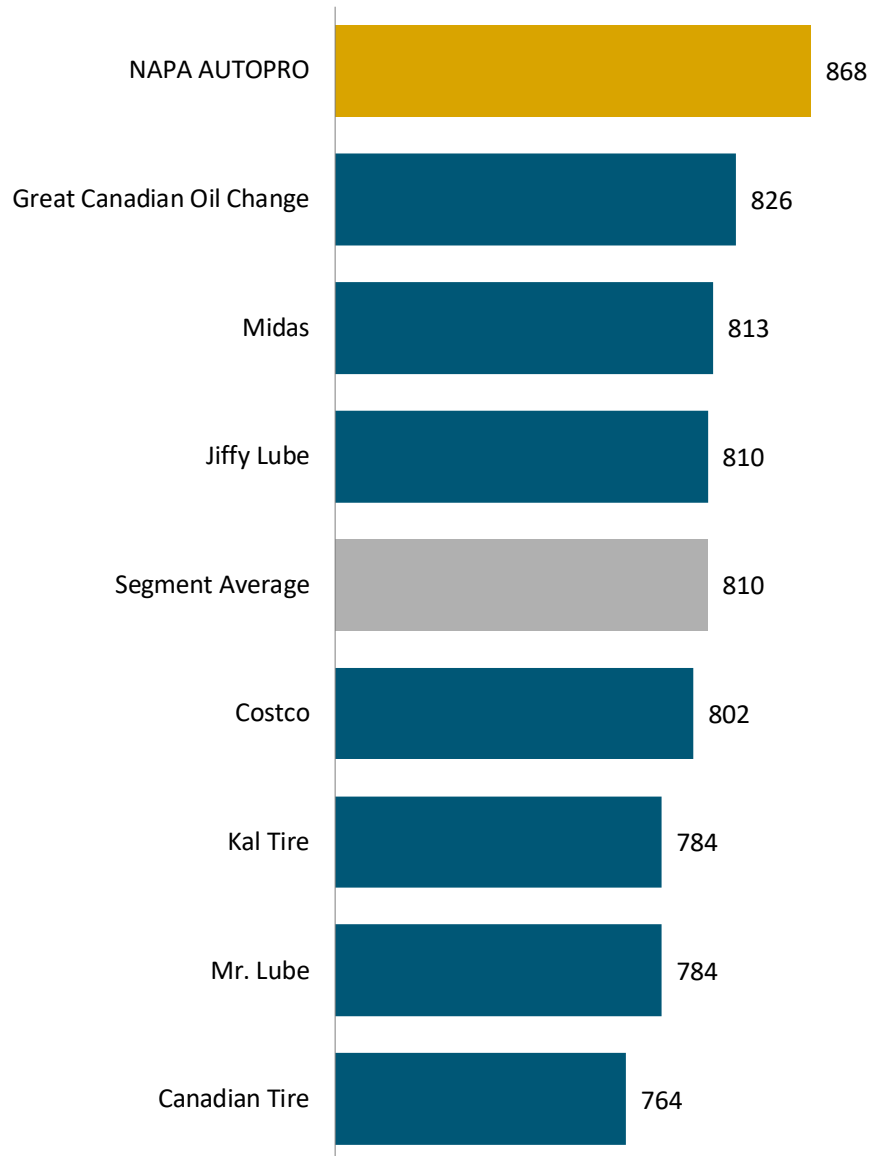
Source: J.D. Power 2022 Canada Customer Service Index (CSI) StudySM—Long-Term

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J.D. Power 2022 Canada Customer Service Index (CSI) StudySM—Long-Term

Aftermarket Service Index Ranking

(Based on a 1,000-point scale)



Source: J.D. Power 2022 Canada Customer Service Index (CSI) StudySM—Long-Term

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