

**Canada's Auto Service Market Shrinks to Pre-Pandemic Level as Inflation Squeezes Owners' Wallets, J.D. Power Finds**Lexus and Volkswagen Rank Highest in a Tie among Dealerships; Jiffy Lube Ranks Highest in Aftermarket Service Segment

**TORONTO: 7 Sept. 2023** – Canada's auto service market is declining to a pre-pandemic level of \$9.1 billion this year, down from \$10.9 billion in 2022, according to the J.D. Power 2023 Canada Customer Service Index—Long-Term (CSI-LT) Study,<sup>SM</sup> released today. The study, which measures usage and satisfaction of service shops for vehicles that are 4 to 12 years old, also finds that customers in Canada are paying more for maintenance and repair work than a year ago.

According to the study, the average cost per visit at a dealership is \$432, up from \$394 in 2022, while the average cost per visit at an independent shop is \$262, an increase of \$15 from a year ago.

"Inflation has certainly had an effect on automotive service," said **J.D. Ney, automotive practice lead at J.D. Power Canada**. "Average spend per service visit is up year over year at both dealerships and aftermarket facilities—yet the number of service visits is down. While the pandemic caused a decline in service visits and revenue, the market has rebounded strongly. Now, we're seeing a return to pre-pandemic levels for service on 4- to 12-year-old vehicles."

The dealership service segment continues to expand its market share this year at the expense of the aftermarket sector, both in terms of revenue and number of service visits. Of the \$9.1 billion total market revenue this year, dealerships have grown their overall share of the market to 61% in 2023 from 58% in 2022. That incremental 3 percentage points of market share translates to more than \$250 million in revenue. Concurrently, dealerships also have experienced an increase in the number of average annual visits to 1.7 from 1.5 a year ago.

Following are some key findings of the 2023 study:

- **Doing it right the first time:** When it comes to completing service work correctly the first time, aftermarket facilities continue to outperform dealerships. Aftermarket facilities correctly complete service work the first time 95% of the time—unchanged from 2022—while dealers' success rate is at 93%, revealing a continuing decline from 2022 (94%) and 2021 (96%).
- **Drivers of dealership and aftermarket business varies:** Nearly two-thirds (61%) of owners who chose a dealership over an aftermarket facility cite previous experience with the dealership as the main reason. Convenience of location (42%) and recommendation from friends and family (23%) are key motivating factors for choosing an aftermarket service facility.

**Study Rankings**

**Lexus Dealerships** and **Volkswagen Dealerships** rank highest in a tie in the dealership segment, each with a score of 842. This is the second consecutive year that Lexus Dealerships ranks highest. **Toyota Dealerships** (815) ranks third.

**Jiffy Lube** ranks highest in the aftermarket service segment, with a score of 818. **Great Canadian Oil Change** (809) ranks second.

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 8,188 owners and was fielded from April through June 2023.

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/2023090>.

#### **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 modelling 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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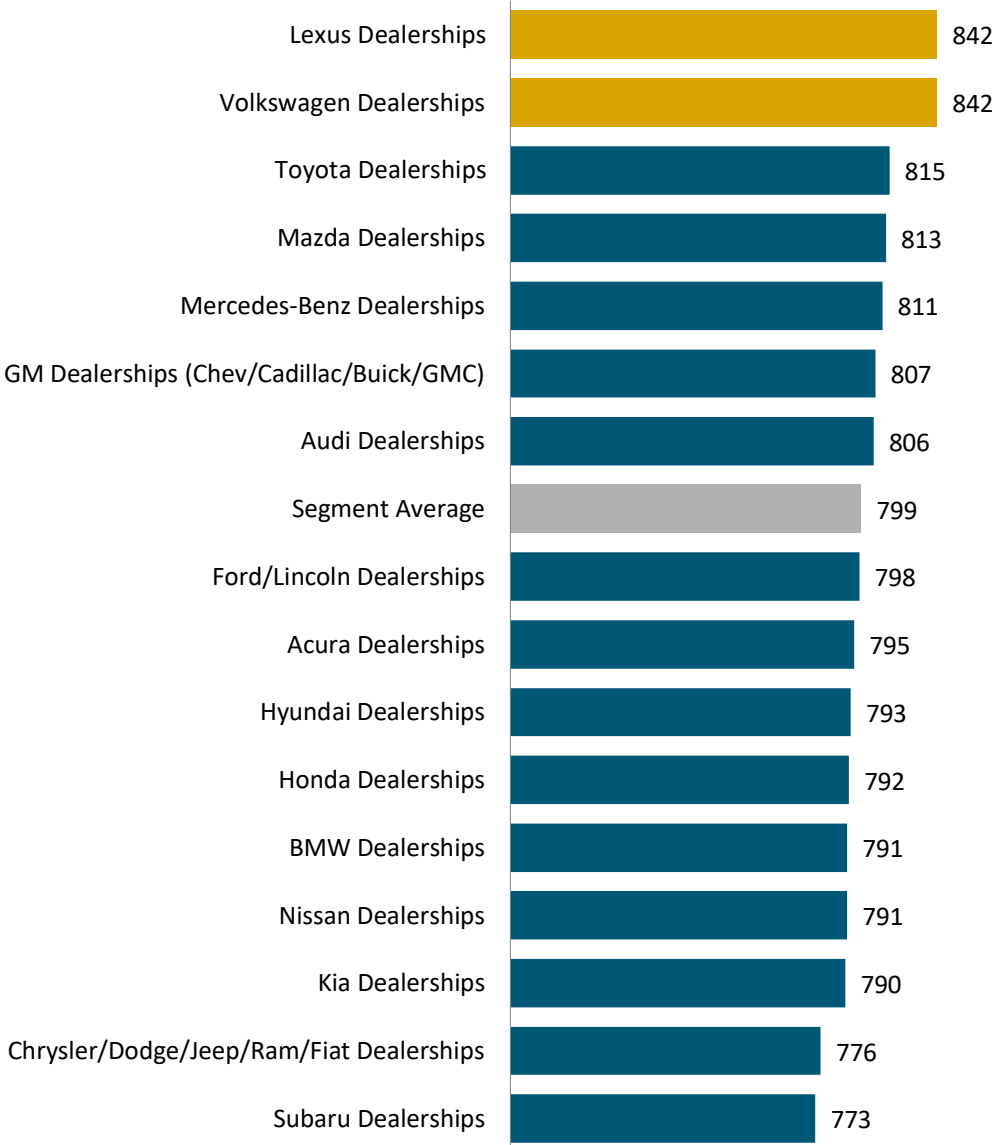
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NOTE: Two charts follow.

# J.D. Power 2023 Canada Customer Service Index—Long-Term (CSI-LT) Study<sup>SM</sup>

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

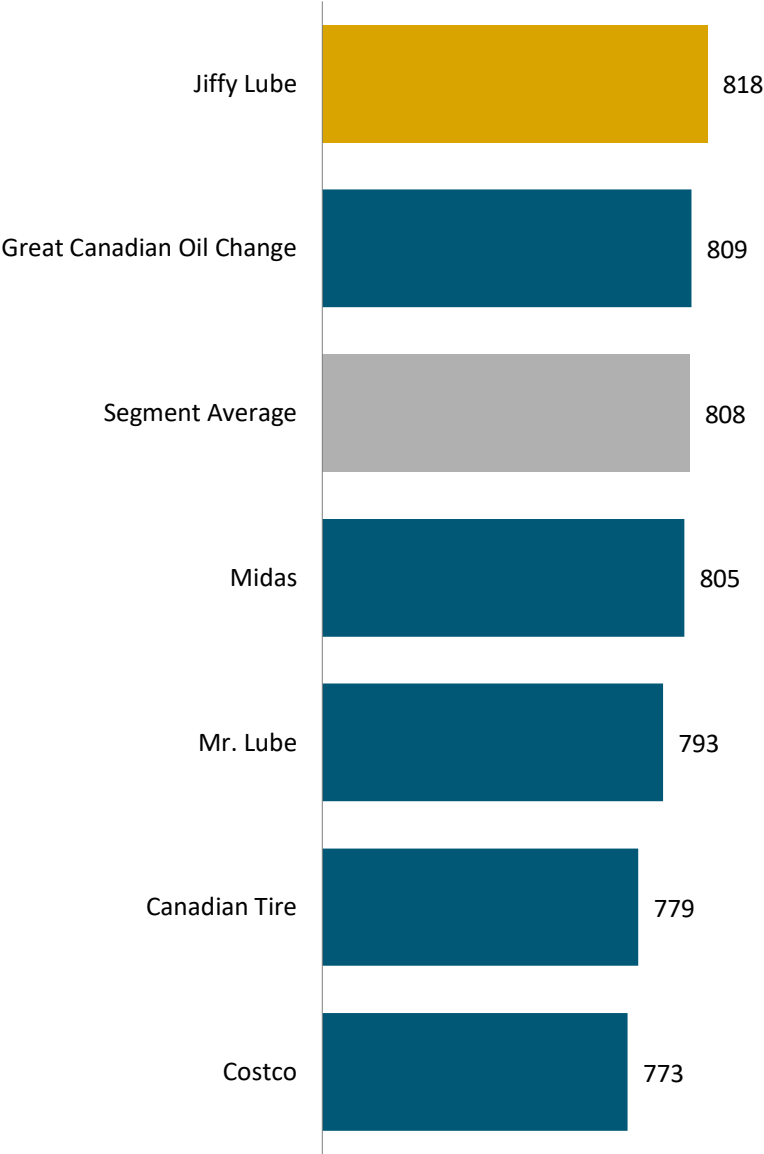


Source: J.D. Power 2023 Canada Customer Service Index—Long-Term (CSI-LT) Study<sup>SM</sup>

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# J.D. Power 2023 Canada Customer Service Index—Long-Term (CSI-LT) Study<sup>SM</sup>

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



Source: J.D. Power 2023 Canada Customer Service Index—Long-Term (CSI-LT) Study<sup>SM</sup>

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