

Interest Rates and Inflation Lift Cost of Auto Repair in Canada and Influence Owners to Keep Their Vehicles Longer, J.D. Power FindsLexus and Great Canadian Oil Change Rank Highest in Respective Segment

TORONTO: 5 Sept. 2024 — Owners of vehicles that are 4 to 12 years old are feeling the sting of inflation in Canada as the cost of maintenance and repair continues to climb, according to the J.D. Power 2024 Canada Customer Service Index—Long-Term (CSI-LT) Study,SM released today. The average cost of a visit to the dealership has risen to \$465 from \$432 a year ago, while a similar trip to an independent shop has increased to \$273 from \$262.

The macro-economic conditions and higher interest rates are not only affecting the cost of auto maintenance and repair but also pushing owners to keep their aging vehicles longer. The study shows that 40% of visits to dealerships and 24% of visits to aftermarket shops were for repairs. This is compared with 31% and 21%, respectively, of visits in 2021, implying owners are opting to invest in fixing their vehicles rather than buying new ones.

“With inflation pushing auto repair costs upward and interest rates making larger-ticket items like mortgage payments and new-vehicle purchases more expensive, owners are being hit with a ‘double whammy’ and have to make different decisions in order to balance their budgets,” said **J.D. Ney, automotive practice lead at J.D. Power Canada**. “As more owners opt to fix their vehicle instead of buying a new one, auto repair shops have an opportunity to attract more lucrative business in this \$13 billion market by excelling in the service factors that drive customer satisfaction, mainly saving time and convenience.”

Following are some key findings of the 2024 study:

- **Currency of convenience:** Saving time and convenience are the main factors that affect customer satisfaction in this year’s study. Completing the service within 90 minutes and speedy send-off (paperwork and key pick-up) are the two key performance indicators (KPIs) that have increased the most year over year, in terms of their importance in measuring overall satisfaction.
- **Market share status quo:** Dealerships continue to hold nearly half (48%) of the auto service and repair service occasion market share, with independent shops and quick lube locations capturing 27% and 11%, respectively. These market shares remain almost unchanged from 2023. Average annual visits also remain stagnant year over year with 1.6 visits per year in the dealership segment and 1.3 in the aftermarket segment (up from 1.2 in 2023).
- **Dealerships take bigger share of revenue:** With an average of \$465 per visit, dealerships account for 61% of the auto service market’s total revenue, with the aftermarket segment capturing the remaining 39%. These proportions remain unchanged from 2023.

Study Rankings

Lexus Dealerships ranks highest in the dealership segment for a third consecutive year, with a score of 836 (on a 1,000-point scale). **Mercedes-Benz Dealerships** (818) ranks second and **GM Dealerships** (810) ranks third.

Great Canadian Oil Change (838) ranks highest among aftermarket service facilities. **Jiffy Lube** (834) 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%). This year's study is based on responses from 8,750 owners and was fielded in May-June 2024.

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/2024097>.

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/>.

Media Relations Contacts

Gal Wilder, NATIONAL Public Relations, Toronto; 416-602-4092, gwilder@national.ca
Geno Effler, J.D. Power; West Coast; 714-621-6224; media.relations@jdpa.com

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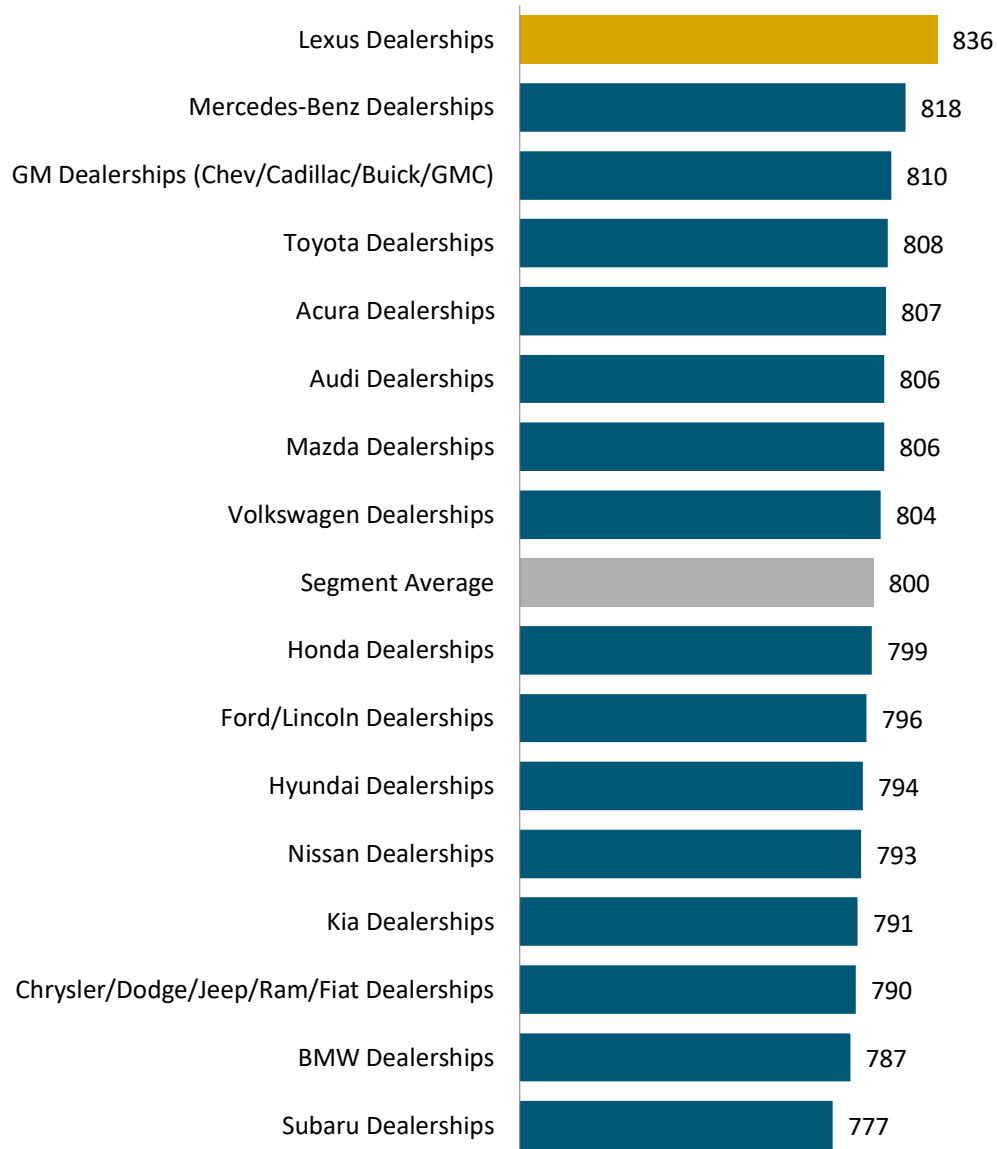
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NOTE: Two charts follow.

J.D. Power 2024 Canada Customer Service Index—Long-Term (CSI-LT) StudySM

Dealership Service Index Ranking

(Based on a 1,000-point scale)



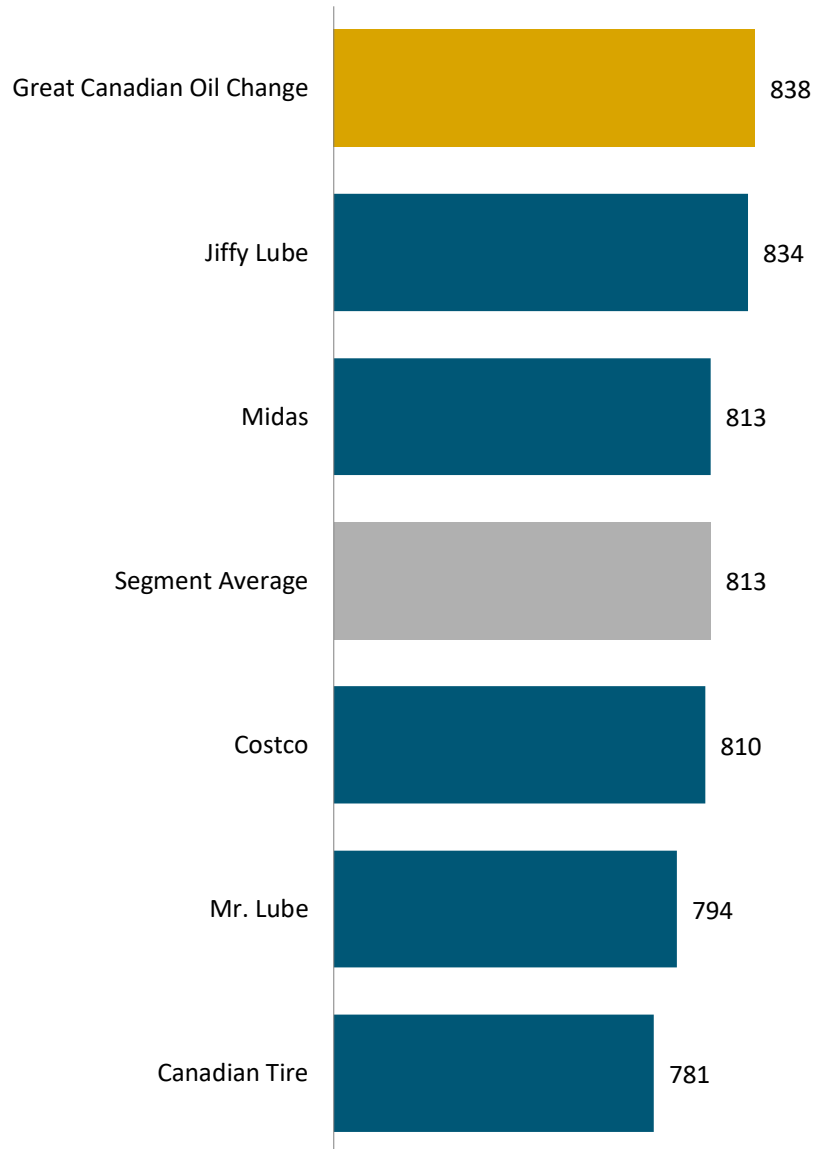
Source: J.D. Power 2024 Canada Customer Service Index—Long-Term (CSI-LT) StudySM

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Aftermarket Service Index Ranking

(Based on a 1,000-point scale)



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