



The Basics of Dealer Satisfaction: Speed, Support, and Service

The automotive sales environment has rebounded dramatically, with retail new-vehicle sales near pre-recession levels. The outlook for 2013 and beyond is very bright as sales continue to increase. While some economic measures, such as unemployment, are still higher than pre-recession levels, the industry has revived due in part to the U.S. government quantitative easing monetary policy that has spurred lenders to support the automotive industry.

As finance providers look to strengthen their relationships with dealers, it is critical to note that the drivers of satisfaction are expected to remain consistent year over year. The following themes are fundamental to improving dealer satisfaction:

■ Relationships

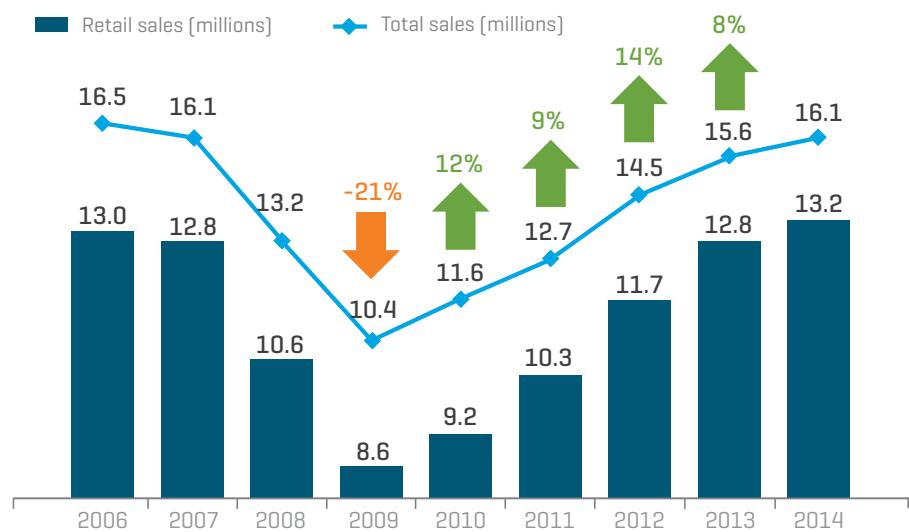
Strong relationships between sales representatives and dealer finance staff are critical to nurturing an ongoing partnership that benefits both groups. Dealers' time remains precious, yet according to the *J.D. Power 2013 U.S. Dealer Financing Satisfaction Study*,SM the more contact—as many as three times monthly—dealerships have from well-trained sales representatives, the better it is for the relationship. Dealers will make time for partners that aim to help their business run smoothly, which, in turn, may increase dealer satisfaction.

■ Speed

A finance provider's organizational speed and efficiency directly impact a dealer's ability to conduct business and, consequently, also the dealer's level of satisfaction. Any touch point involving approval or funding—including applying floor plan credits as quickly as possible—needs to be as seamless and predictable as possible in order to assist dealers in closing deals.

"The outlook for 2013 and beyond is very bright as sales continue to increase."

U.S. LIGHT-VEHICLE SALES TREND AND FORECAST



Source: LMC Automotive

■ Expectations

With a focus on strong relationships and speed, dealers expect service excellence whenever they interact with their finance provider. Working with the same credit buyer throughout the deal leads to a perception of faster decision-making and more efficient service, which, in turn, helps dealers close business and increases dealer's satisfaction.

■ Differentiating Dealer Contact, Processes, and Customer Support

A rebounding industry marked by increased auto sales and higher dealer volumes combined with lenders making funding more fluid and accessible results in a mutually beneficial environment for dealer and finance provider partnerships. Findings from the *2013 U.S. Dealer Financing Satisfaction Study* show that with increased dealer satisfaction comes increased stated intent to drive additional business to finance providers. Lenders that dedicate resources to and continue their vigilance in providing dealers with superior products, services, and support are poised to capitalize on new business. To achieve service excellence, finance providers should consider the following additional keys to dealer satisfaction:

■ Sales representative excellence

For dealers, sales representatives are their most important touch point with a lender. Field personnel must have the knowledge and tools to teach and train their dealers on the various product offerings, with a special emphasis on the more complex leasing, sub-prime, and floor planning products. The most effective sales representatives portray themselves as confident and professional, respecting dealers' time constraints and always offering value. They provide timely program announcements and pricing changes, and verify dealer personnel have the most recent updates and understand them. Each time sales representatives meet with dealers, they should connect on four touch points—finance, sales, administration, and the dealer principal—with scheduled meetings. Along with maintaining frequent communication, sales representatives are always available, or at least accessible, and are prepared for any problem or issue resolution. They are advocates for dealers in both product offerings and services.

■ Organizational speed and efficiency

Building processes and infrastructure that expedite underwriting and funding for all retail products, as well as floor planning, is critical. This means providing high levels of financing decision authority augmented by fast turn time when applications need underwriter review. The dealer expectation of application decisions for prime loan/lease is minutes, not hours. Sub-prime underwriting must also have a quick turnaround. Funding for prime loan/lease should be 24 hours, and complete sub-prime transactions within 48 hours. Products that enable same-day funding, such as eContracting or processes/systems, are key dealer satisfiers for both loan/lease. Dealers expect same-day floor plan funding credit. As with loan/lease, system automation and self-service options are highly desired.



■ **Service excellence**

Dealers support lenders that have personnel who are knowledgeable, friendly, and customer-focused. They need frequent and timely program and pricing information and desire a personal contact in order to completely understand the information. Dealers indicate a strong preference to work with the same underwriter, with an expectation of 80% frequency. They seek timely responses when they have issues or questions. In the floor planning area, dealers seek robust reporting that is accurate, timely, and easily accessible.



For more information, please contact:

information@jdpa.com or
805-418-8000

The information contained herein has been obtained by J.D. Power from sources believed to be reliable. However, because of the possibility of human or mechanical error by our sources, J.D. Power does not guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions or for the results obtained from use of such information.

This material is the property of J.D. Power or is licensed to J.D. Power. This material may only be reproduced, transmitted, excerpted, distributed, or commingled with other information, with the express written permission of J.D. Power. The user of this material shall not edit, modify, or alter any portion. Requests for use may be submitted to information@jdpa.com. Any material quoted from this publication must be attributed to "J.D. Power Insights: The Basics of Dealer Satisfaction: Speed, Support and Service, published by J.D. Power, © 2013 J.D. Power and Associates, McGraw Hill Financial. All Rights Reserved." Advertising claims cannot be based on information published in this special report.