



Dealers disappointing customers with servicing – J D Power

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Dealers are letting down customers and their brands with poor communication when it comes to servicing, according to the J.D. Power 2019 UK Customer Service Index Study released today.

While some brands stand out for good communication, others are missing opportunities to build trust, relationships and satisfaction.

Sizable gaps exist between how customers prefer to schedule vehicle service appointments and receive service updates, and how dealers are actually scheduling and communicating with their customers. Closing these technology usage gaps will enable dealerships to increase service and sales revenue, while simultaneously increasing customer satisfaction.

“Customers in younger generations are certainly affecting industry-wide behaviors when it comes to service experience expectations, and this will become more notable as they begin to represent a larger portion of the service business,” said Josh Halliburton, Vice President and Head of European Operations at J.D. Power.



“However, there is an increase in preference among those in all generations for text message updates. For example, in the five years this study has been conducted, there’s been an 8% increase in preference for this type of communication among Boomers, or customers born between 1946 and 1964. We expect text message updates will become the most preferred means of interaction among all generations within the next few years.”

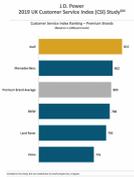
Highest-Ranked Brands

Audi ranks highest among premium brands, with a score of 815, a 23-point improvement from 2018.

Mercedes-Benz ranks second (802), followed by **BMW** (798).

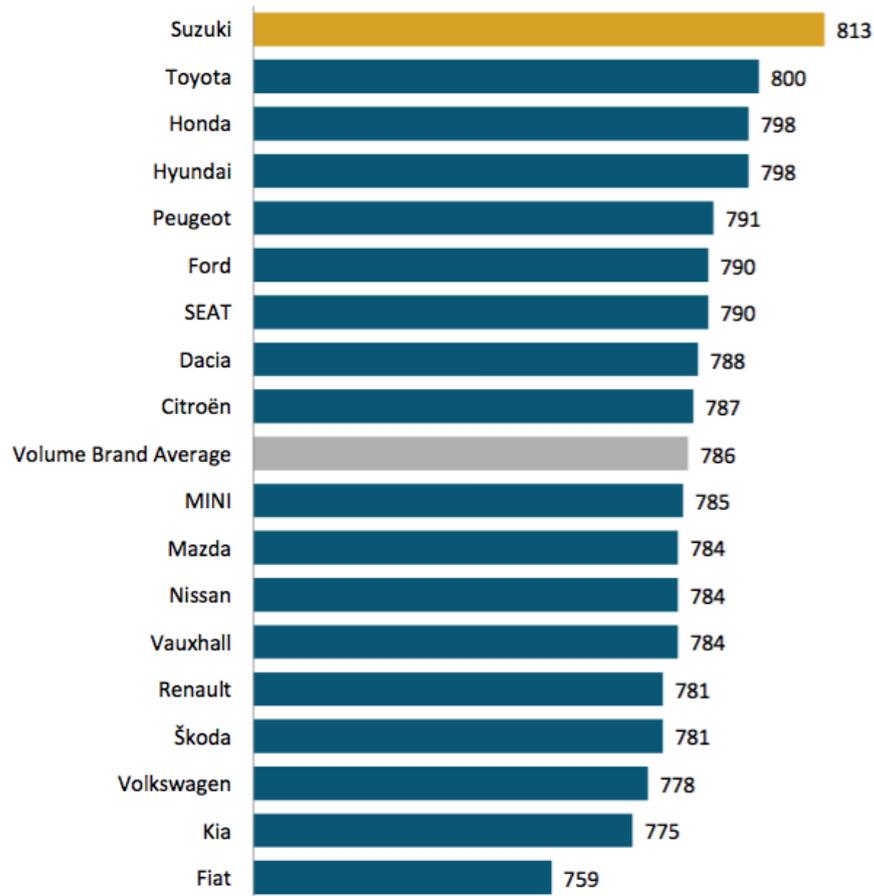
Suzuki ranks highest among volume brands, with a score of 813, a 22-point improvement from 2018.

Toyota ranks second (800), followed by **Honda** (798).



J.D. Power 2019 UK Customer Service Index (CSI) StudySM

Customer Service Index Ranking – Volume Brands
(Based on a 1,000-point scale)



Included in the study, but not ranked due to small sample size, are Jeep, Mitsubishi and smart.

While 26% of service customers prefer to schedule appointments via the internet, only 17% are currently doing so. Additionally, while 31% of service customers indicate a preference to receive text message updates, only 15% receive such updates.

The study, now in its fifth year, measures customer satisfaction with their service experience at a franchised dealer facility for maintenance or repair work among owners and lessees of 1- to 3-year-old vehicles. The study explores customer satisfaction with their service facility by examining five measures (listed in order of importance): service quality (26%); service initiation (23%); service advisor (19%); vehicle pick-up (17%); and service



facility (16%).

Overall satisfaction among premium brand vehicles increases to 800 (on a 1,000-point scale) from 798 in 2018. Satisfaction among volume brand vehicles increases to 786 from 779 in 2018.

Following are key findings of the 2019 study:

- **Satisfaction increases when service writers use a tablet:** Satisfaction is higher when dealers incorporate tablet usage in their service process (+70 points), and is particularly pronounced in the service advisor (+74 points) and service facility (+81 points) measures. Overall satisfaction is highest when tablets are used to provide cost estimates (848); show a menu of options (847); and conduct multi-point inspections (847).
- **Building trust can lead to additional service revenue:** Customers who trust and ask service personnel to explain vehicle features and technology functions are more likely to accept additional recommended service work. When this work is accepted, average service revenue is £356 compared with an average of £198 when no recommendations are made. Factors that increase customer trust include: the vehicle was ready when promised; work was completed right the first time; the service advisor knew the vehicle's history; and an explanation of the charges was provided.

Satisfaction leads to brand loyalty: Among service customers when overall satisfaction scores are 901 or higher, 83% say they “definitely will” recommend their dealer for service; 82% say they “definitely will” return for paid service work; 78% say they “definitely will” purchase or lease again from the same dealer; and 70% say they “definitely will” purchase the same brand again.

However, there is a large gap in loyalty and recommendations between this group and moderately satisfied customers (when satisfaction scores are 751-900). Among such customers, the percentages of “definitely will” recommendations in those four areas dip to 47%, 53%, 43% and 52%, respectively.)



UK dealers lag behind U.S. in several key performance indicator (KPI) completion rates:

KPIs are metrics utilized to identify the dealership processes that have the greatest effect on the service experience and overall satisfaction scores. Satisfaction with the service advisor improves (+41 points) when they speak to the customer immediately upon arrival; service quality improves (+39) when the customer is contacted by the dealership after service is completed; and vehicle pick-up improves (+34) when the time between finishing paperwork and retrieving the vehicle is five minutes or less.

However, these three KPIs are met only 38%, 62% and 46% of the time, respectively, in the UK. Comparatively, U.S. dealers provide an experience that more often meets customers' expectations. For example, according to the J.D. Power 2019 U.S. Customer Service Index (CSI) Study, SM service advisors speak to a customer immediately upon arrival 48% of the time, while finishing paperwork and vehicle retrieval in five minutes or less occurs 72% of the time.

"There are still areas where UK dealers can differentiate themselves by providing an exceptional service experience," Halliburton said. "Top performers one year can end up below the industry average the next, so paying attention to the little things can make a huge difference in cultivating customer relationships."