

RESEARCH

Tires, text messages present customer satisfaction opportunities for dealerships

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2017 Audi A4

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Germany's Audi leads all automakers in dealer service satisfaction, according to J.D. Power's 2016 U.S. Customer Service Index Study.

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The study measures the service satisfaction levels of owners and lessees as it relates to a variety of factors, from wait time to communication. Poor maintenance, repairs and handling of recalls will likely steer a consumer to a different brand when they are next on the market, so it is essential to continue to demonstrate great service even after the sale is made.

"For luxury brands in particular, the 'experience' is the key differentiator from mass market nameplates," said Mike Battaglia, vice president of automotive retail at **J.D. Power**. "To maintain, and improve upon this differentiation, luxury brands must place considerable emphasis on key customer benefits such as the availability of complimentary loaner cars and waiting lounge amenities."

First-place finish

Audi's satisfaction score of 874 was the highest among all brands in luxury and mass market categories. Lexus was merely five points behind, while Porsche, BMW and Land Rover were ranked slightly below the luxury average of 854.

On the mass market side, only MINI's 858 was above the luxury average, and only three brands total were ranked more highly than the lower-ranked luxury brand. This indicates that luxury brands are living up to their label and delivering customer service that is significantly better than that of mass market peers.



Audi Q2

Although these numbers are slightly higher than the previous year, an influx of recalls saw lower satisfaction with recall-related services. Properly handling a recall can help assuage a consumer's worry after one takes place and is essential for maintaining customers who might otherwise jump ship.

The study identified five factors that exhibit an enormous influence over customer satisfaction. The first of these is that when wait time while a vehicle is being serviced is less than 100 minutes, satisfaction averages 835, compared to just 756 when it is longer.

This reflects findings that 70 percent of customers will wait between an hour and two. Seventeen percent, however, will not wait or will wait for less than an hour, emphasizing the necessity both of speedy repairs and of providing loaner vehicles, shuttle services and comfortable wait rooms with sufficient amenities.

Second, a seemingly small action can have an enormous impact. Greeting a customer within two minutes of arrival results in 44 more points of service, but 27 percent indicated they had to wait longer. Discounting other variables, satisfaction could increase by 12 points if every customer was greeted within two minutes.



Options shown

Lexus RX350

Also of note, many consumers are not being reached via their preferred method. Thirty-seven percent of Generation Xers, 38 percent of millennials and 22 percent of boomers would prefer to receive updates via text, yet only 2 percent of dealerships allow the option.

Perhaps most importantly, J.D. Power found that selling more consumers on tires will help dealerships, from both a satisfaction and financial standpoint. Among survey respondents, 22 percent replaced tires within the past 12 months, slightly less often than wiper blades but significantly more frequently than brake pads, rear wiper blades and batteries.

However, of all these components, the majority of consumers sought only tires from third-party businesses. Despite this, 40 percent of those who did purchase tires at a dealership say they "definitely will" repurchase the same brand, compared to 31 percent who purchase from a non-dealer facility, indicating higher satisfaction for dealer purchases.



Audi A8 L W12

Lastly, the importance of getting things right the first time, while obvious, cannot be understated. Six percent of customers indicated that service work did not solve the problem the first time around, but that relatively small percentage rated satisfaction 207 points lower.

On the rebound

The findings are good news for Audi, which was rated less highly in another index that crowned Lexus as the customer satisfaction leader.

In general, luxury automakers earned top ratings in 2015's American Customer Satisfaction Index, with all but Audi scoring above the record lowest average in more than a decade and Lexus boasting the highest rating.

Record numbers of recalls and rising prices contributed to the third consecutive dip in sentiment in three years, with 15 of the 27 automakers studied showing a decline in consumer satisfaction. When problems arise, how an automaker handles them can make a great impact on consumers' feelings toward the brand ([see story](#)).

The high numbers for Audi indicate a good job handling the emissions scandal of its parent company Volkswagen, which served as something of a test for the brand's service capabilities in a crisis.

The emissions scandal at Audi's parent company Volkswagen appear to have left the automaker's sales largely untouched, with the brand increasing its deliveries 6.8 percent in the following month.

It was Audi's best ever September in Europe, with almost 80,000 vehicles delivered, while sales in the Americas rose 11.9 percent. Even as the extent of the scandal spread, Audi has broken its monthly record anew each time the calendar has changed ([see story](#)).

"Essentially they must be flexible and accommodate individual customer preferences as to how that service event is handled," Mr. Battaglia said. We refer to this as "metailing." Do I need a loaner vehicle? Is that loaner vehicle comparable to or nicer the car that I'm currently driving? If I prefer to wait at the dealer while my vehicle is being serviced, does the dealer provide amenities that make the experience waiting more palatable?"

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