

AUTOMOTIVE

Customer satisfaction at auto dealerships correlates to digital, mobile services

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Land Rover ranked number one in customer satisfaction among premium car brands in this study. Image credit: Land Rover

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Automotive dealerships that provide their customers with more digital, and specifically mobile, tools for scheduling and receiving service do far better with younger consumers than those that do not, according to a new study.

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This information comes from J.D. Power's 2017 United Kingdom Customer Service Index Study, which compared the performance of various car dealerships with different age groups based on the level of digital integration. What the study found was that loyalty to a dealership correlates with customer satisfaction, which in turn overwhelmingly correlates with a dealer's ability to provide service through digital and mobile tools.

"Car dealers who aren't prioritizing technology options are missing out on an opportunity to connect with a younger generation of customers," said Dr. Axel Sprenger, managing director of [J.D. Power Europe](#), London.

Customer satisfaction

While so much commerce has increasingly moved online, there are still some products that have to be viewed up close before they are purchased. Vehicles are one such product.

But that does not mean that digital cannot play a role. In J.D. Power's new study, the company conclusively showed that dealers that make use of digital technology, especially when it comes to mobile devices, consistently have the highest satisfaction.

Customers that booked their appointments at a dealership through an application recorded an average satisfaction score of about 779 out of 1,000.



Audi was among the top three brands for customer satisfaction

This rate increased significantly when looking at customers who booked through a mobile device and specifically through a text message. Their satisfaction rate was at 808.

High satisfaction rates also extend to dealers, where customers say it is "very easy" to connect to free WiFi.

This is a good opportunity for both dealer and customer, as customers have higher satisfaction and are able to browse and compare prices online while they shop for cars much more easily.

For luxury car brands, J.D. Power ranked the top three according to how satisfied their customers are with the experience of visiting a dealership. Land Rover took the top prize with 808, followed by Audi with 806 and BMW with 797.

Digital tools

Ensuring a high customer satisfaction at auto dealerships is important, especially given the recent increase in value of dealership transactions.

A new quarterly from Kerrigan shows that the buyer/seller marketplace for automotive dealerships will see a significant lift this year due to a variety of factors such as the current White House administration, acquisition increase and a jump in valuation. Mercedes will likely benefit from this growth, as it was the volume leader in luxury dealership purchases this past year ([see story](#)).

But meanwhile, satisfaction numbers have dropped considerable since J.D. Power's last report.



BMW ranked with a customer satisfaction score of 797

Lexus was the top performing luxury auto brand in terms of customer satisfaction with a score of 874 on a 1,000-point scale. Audi followed closely with a score of 869, above Lincoln with 868, Porsche at 867 and Cadillac with 865 in the most recent J.D. Power report before this one ([see story](#)).

This suggests that luxury car dealers will have to keep their digital services and customer experience initiatives strong to manage the growing desire for cars in the market.

"As these consumers begin to account for a larger number of vehicle sales and service visits, it's important for dealers to be able to cater to their needs to differentiate themselves from competitors and drive loyalty," J.D. Power

Europe's Mr. Sprenger said.

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