

AUTOMOTIVE

## Luxury car customers are less satisfied than last year

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### AMERICAN CUSTOMER SATISFACTION INDEX: LUXURY VEHICLES

COMPANY	2019	2020	% CHANGE
Lexus (Toyota)	84	82	-2%
Audi (Volkswagen)	82	80	-2%
Cadillac (GM)	81	80	-1%
Mercedes-Benz	83	80	-4%
Infiniti (Nissan)	82	79	-4%
BMW	82	78	-5%
Volvo	82	78	-5%
Acura (Honda)	78	77	-1%
Lincoln (Ford)	82	77	-6%

0-100 Scale

*Overall customer satisfaction is down among car owners. Image courtesy of: American Customer Satisfaction Index*

By DIANNA DILWORTH

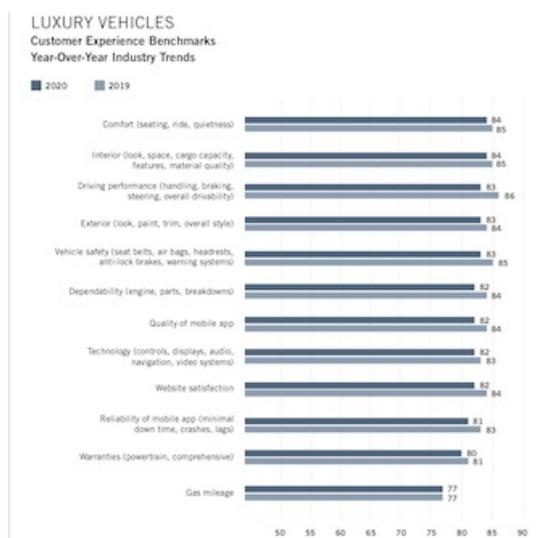
U.S. consumers are less satisfied with their automobiles this year than they were last year, even among the most respected in luxury automaking.

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The luxury car sector dropped 4 percent year-over-year with a 79 in driver satisfaction in 2020, down from 83 last year, according to a new report from the latest American Customer Satisfaction (ACSI) report.

"Inherently luxury should be better than mass market," said David VanAmburg, managing director for the ACSI, Ann Arbor, MI. "These brands cater to more of the amenities, including comfortable seating, finer materials, more appealing interior design, and even better driving performance, like smoother steering and braking. Luxury automakers are also known for better in-car technologies."

"Luxury car brands can do pretty much everything better, but the biggest areas of improvement our data identified include gas mileage and warranties," he said.



*Customer experience benchmarks. Image courtesy of American Customer Satisfaction Index*

### Luxury satisfaction is slipping

From 2008 to 2012, U.S. consumers were much more satisfied with luxury cars than mass-market vehicles, by an average of 4 points for satisfaction, according to ACSI's 2020 report.

But since then, luxury cars only ranked 2 points higher than mass-market vehicles when it comes to customer satisfaction.

Similarly, the performance bar for luxury cars has been closing in over time, as consumers become more satisfied with their mass-market cars.

Toyota's Lexus was the top-scoring luxury car this year with an ACSI score of 82 down from 84 last year.

Still, even as the brand dropped two percentage points, Lexus has been the top-ranked car for customer satisfaction across the board for a fourth straight year.

"Leading both the industry as a whole and the luxury segment, Lexus comes in number one for product quality according to its customers," the ACSI report said. "Nevertheless, Lexus now sits at an all-time low score, significantly below its historic ACSI average of 86."

Volkswagen's Audi, GM's Cadillac and Mercedes-Benz tied for second place with customer satisfaction scores of 80. Each brand saw their scores slip a bit from last year: Cadillac dropping one point in customer satisfaction, Audi sliding 2 percent and Mercedes-Benz dropping 4 percentage points to tie with its record low, although the brand does perform well among most consumers.

"Despite the satisfaction downturn, Mercedes-Benz still displays considerable strength across the customer experience, including a best-in-class rating for driving performance among both luxury and mass-market vehicles," the report said.

Last year, Honda's Acura was the only upscale car brand to earn a driver satisfaction score of less than 80. This year, four luxury brands have dropped below this threshold and earned scores in the upper 70s. Nissan's Infiniti dropped 4 percent from its 2019 score of 83 to 79.

Additionally, BMW and Volvo each dropped their customer satisfaction scores by 5 percent earning only an 78 a record low for both brands.

"Recalls likely had something to do with it," Mr. VanAmburg said.

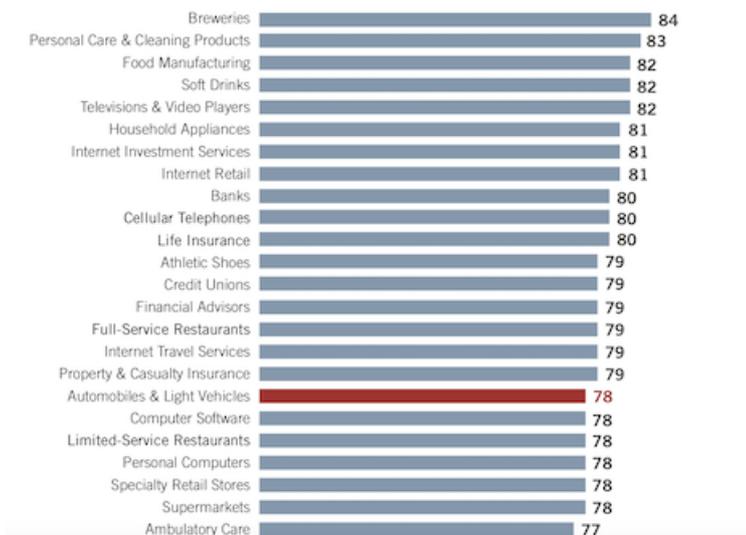
"Over the past three years, BMW customers have had higher-than-average percentages of recalls, which are frustrating to customers," he said. "No one likes to take their car in for unexpected service, even if it's at no charge to them."

At the lower end of the luxury segment, Acura dropped 1 percent to 77, sharing a score with Ford's premium brand Lincoln. Lincoln saw the biggest decline in customer satisfaction scores across the auto industry this year, dropping 6 percent.

Lincoln's customer satisfaction score earned an all time low of 77, 7 points below its historic ACSI average score.

"Among the luxury contenders, customer perceptions of value for Lincoln have deteriorated the most this year," the report said.

#### CUSTOMER SATISFACTION BENCHMARKS BY INDUSTRY



Customer satisfaction is lower on the list of categories among consumers. Image courtesy of: American Customer Satisfaction Index

#### Automotive customer satisfaction is dropping

Automobiles and light vehicles ranked 18 across industries for customer satisfaction with an average satisfaction score of 78.

The car industry's ranking shared an average with computer software, limited service restaurants, personal computers, specialty retailers and supermarkets. Coming in below breweries, soft drinks and Internet retail, the category ranked much higher than hotels, airlines, the United States Postal Service and subscription television services.

The category slipped from last year, as luxury automotive drops in customer satisfaction.

"Across nearly the entire driver experience, the luxury segment is losing ground, with some elements slipping for a second year," per the report.

"Perhaps not surprisingly, drivers give luxury cars their best marks for comfort and interiors, although these elements slip a point to 84. A sharper 3 percent descent to 83 for driving performance brings luxury vehicles nearly in line with mass-market cars (82)."

Vehicle safety assessments among luxury cars went down by 2 percent to 83 last year, coming in only one point ahead of the mass-market segment's score of 82.

"Luxury cars are not viewed as dependable as they once were, down 2 percent to a benchmark of 82 that is even with the mass-market segment," the report said. "When it comes to vehicle technology, however, mass-market cars (78) remain no match for luxury vehicles (82)."

"Digital customer interfaces worsen for the luxury segment as well this year," the report continued. "Web sites are less satisfying (-2 percent to 82) and mobile apps have deteriorated in terms of both quality (-2 percent to 82) and reliability (-2 percent to 81). Gas mileage, flat at 77, remains a sticking point for customers."

For both luxury and mass-market vehicles, customers aren't seeing as much value," Mr. VanAmburg said.

"While we can point to COVID for some of the struggles," he said, "the reality is that satisfaction has been falling for years."