



NFDA

NATIONAL FRANCHISED DEALERS ASSOCIATION

Dealer Attitude Survey

Winter 2018/2019

30
year
anniversary

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Introduction

Dear Colleague,

Thirty years after the launch of the NFDA Dealer Attitude Survey in 1989, we are pleased to present the findings of the winter 2018/2019 survey. Although the questions have changed and the profile has grown exponentially, the purpose of the study remains the same. It is to monitor the health of the relationship between franchised dealers and their respective manufacturers.

The National Franchised Dealers Association (NFDA), which represents franchised car and commercial vehicle retailers in the UK, carries out the Dealer Attitude Survey twice a year. Over the past thirty years, we have been improving the survey, adding new questions and updating others. This continues to allow us to use the results as a reliable source of data reflecting the general state of the dealer/manufacturer relationship.

This survey was conducted in January 2019 and asked franchised dealers about their on-going relationship with their respective manufacturers. Dealers were asked a series of questions covering a range of business aspects and their impact on the relationship with the manufacturers. Responses are scored from 1 (extremely dissatisfied) to 10 (extremely satisfied). The NFDA surveyed 30 franchise networks and received 1,742 responses from dealers, equating to a 40% response rate.

When the survey was launched, dealers were asked 16 questions in total and returned an overall average of about 6.3 points out of 10. Today, the average across all questions is slightly lower at 5.9, and the survey runs to a total of 52 questions.

In 1989, dealers were mostly concerned about their manufacturers' ability to take their views into account, the effectiveness of their dealer councils and the margin impact of their marketing strategy.

The latest Dealer Attitude Survey shows that in 2019 the areas of major concern for dealers are: current profit return, return on capital and the alternative fuel offering of their manufacturers, although this is gradually improving. On the other hand, dealers are mostly satisfied with margins on used car sales and their manufacturers' used car programme.

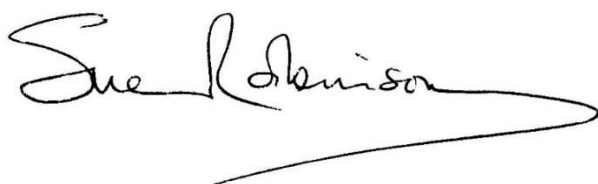
This report is a summary of the results of the Dealer Attitude Survey Winter 2018/2019.

It includes charts and analysis of the main questions giving an overview of the findings. A full version of the report is available on request.

The survey was analysed by the NFDA. For more information, contact Louise Woods, **01788 538332** or **louise.woods@rmif.co.uk**

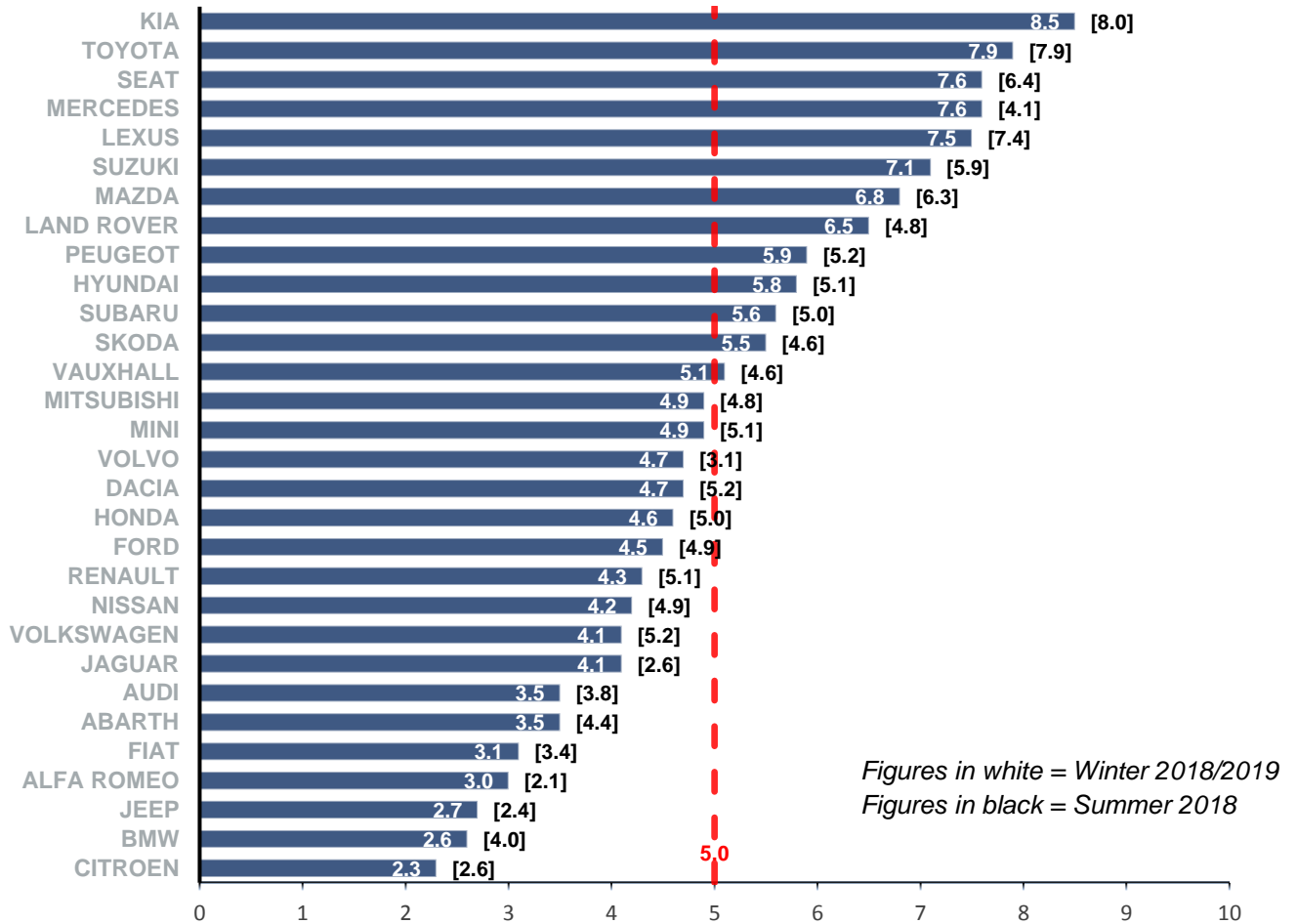
Sue Robinson

Director, National Franchised Dealers Association



Profit return

How satisfied are you with the current profit return from representing your business?



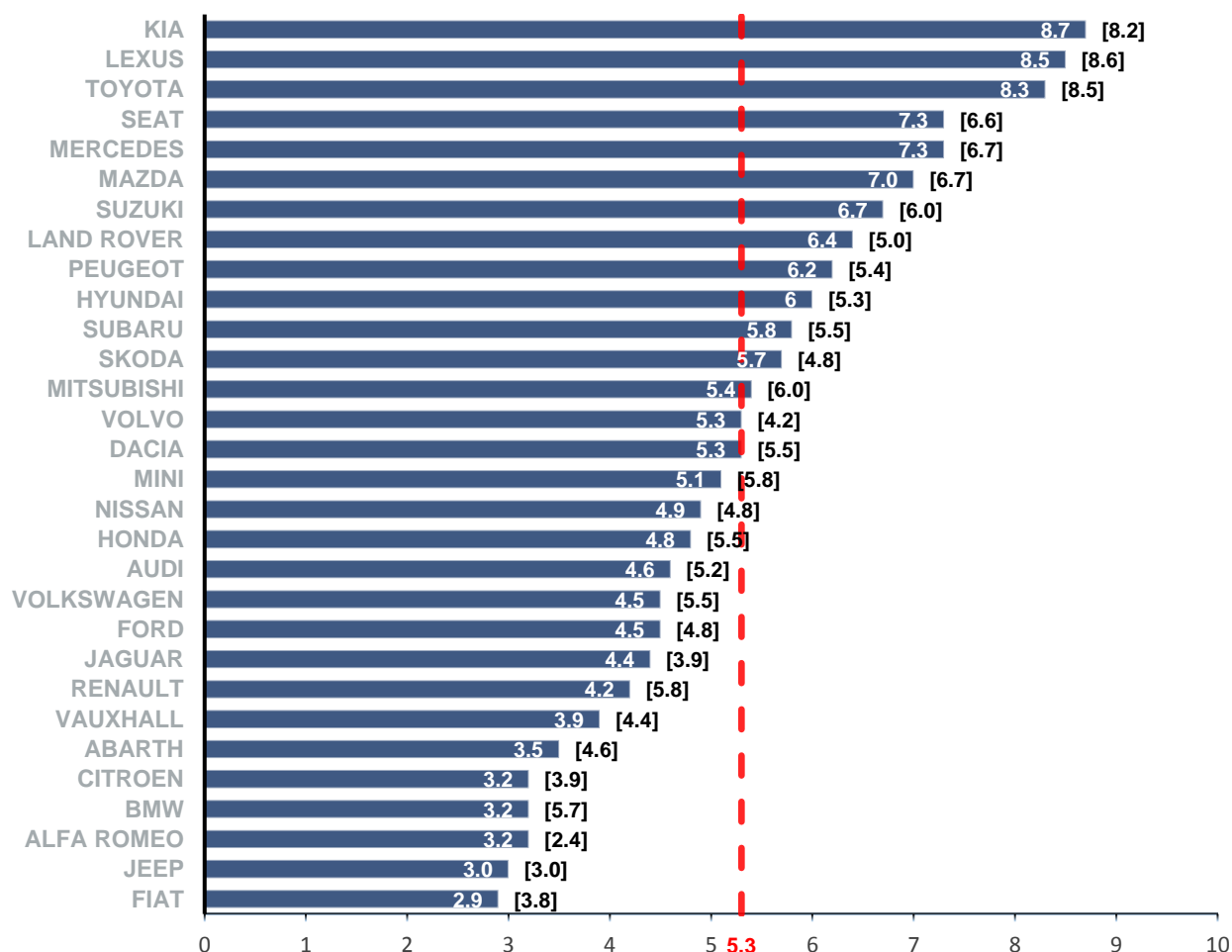
Top performer:	Kia	8.5 points
Bottom performer:	Citroen	2.3 points
Biggest improvement:	Mercedes	+3.5 points
Largest decline:	BMW	-1.4 points
Average score:		5.0 points
Previous average:		4.9 points

Summary

The average score of dealers' satisfaction with their current profit return increased by 0.1 points compared to the previous survey. There were 13 responses above the 5.0 neutral score, 17 dealer networks saw their levels of satisfaction increase, 12 experienced a decrease and 1 did not change.

Profit return

How satisfied are you with the future profit return from representing your business?



Top performer: Kia 8.7 points

Bottom performer: Fiat 2.9 points

Biggest improvement: Land Rover +1.4 points

Largest decline: BMW -2.5 points

Average score: 5.3 points

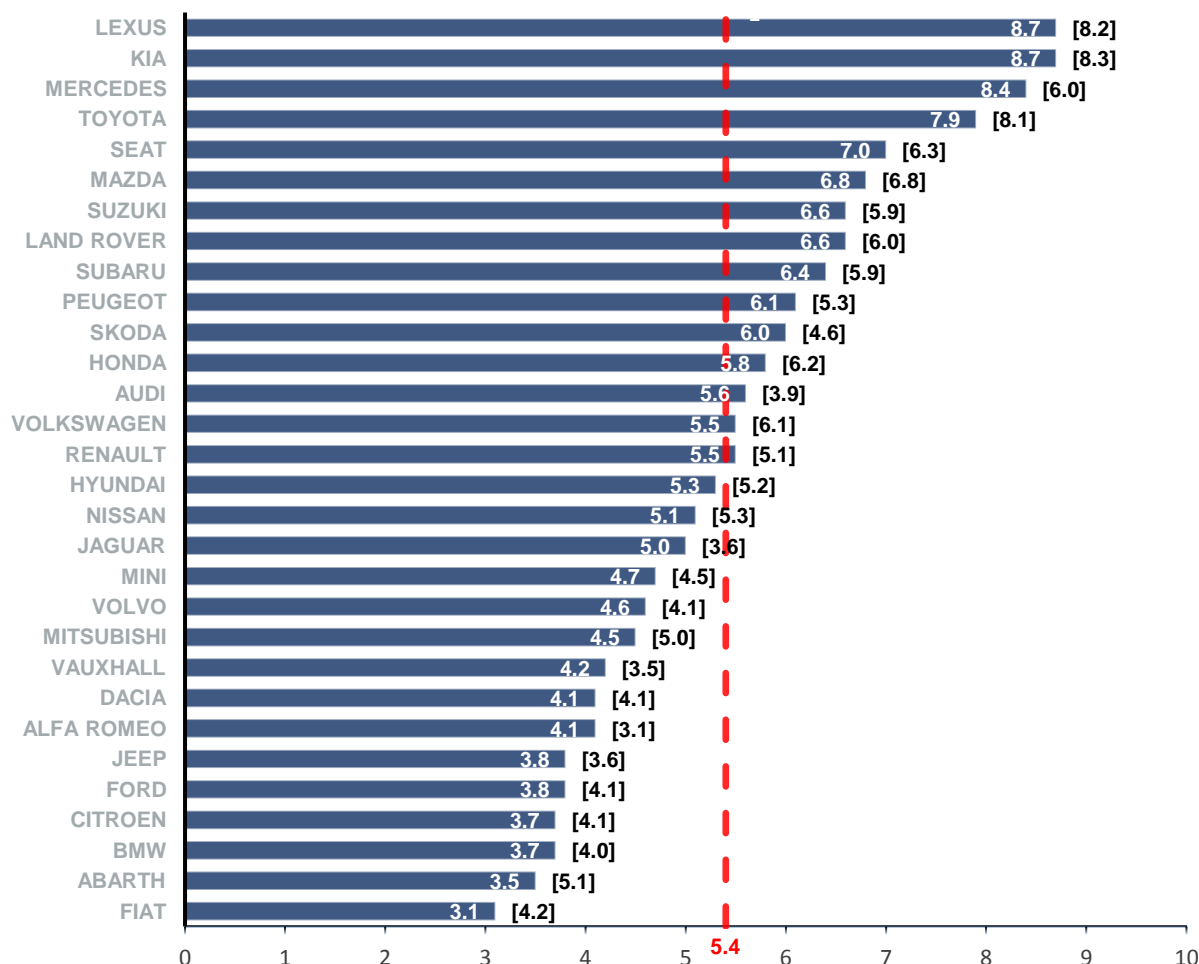
Previous average: 5.4 points

Summary

Once again, dealers showed more optimism about their future profit than their current one with an average score of 5.3 points, down by 0.1 points from six months ago but up by 0.5 points from the previous winter survey. Overall, 14 scores improved, 15 decreased and 1 remained the same. There were 16 scores above 5.0.

Profit return

How satisfied are you with your total margin on new vehicles?



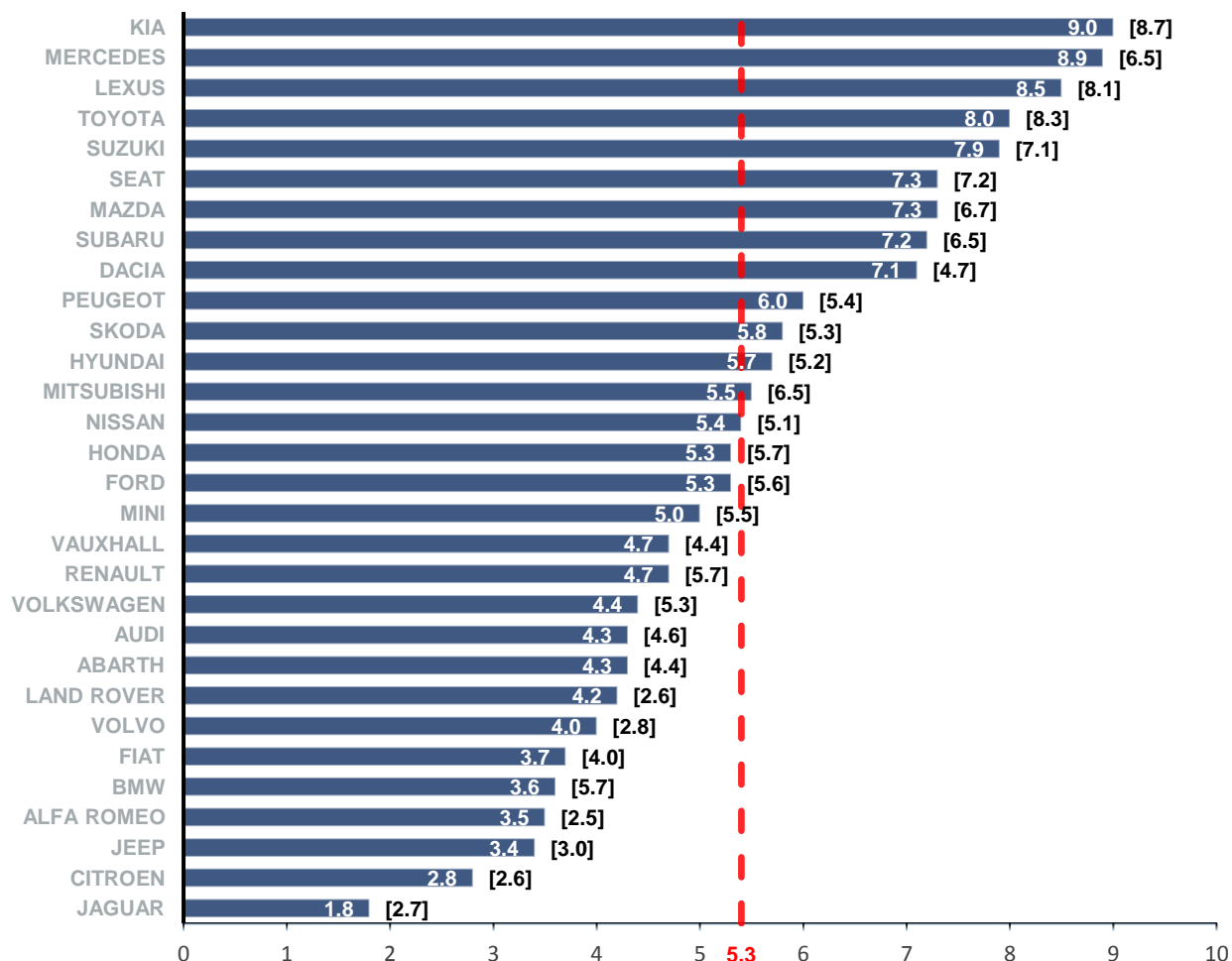
Top performer:	Lexus and Kia	8.7 points
Bottom performer:	Fiat	3.1 points
Biggest improvement:	Mercedes	+2.4 points
Largest decline:	Abarth	-1.6 points
Average score:		5.4 points
Previous average:		5.2 points

Summary

The average dealers' satisfaction with total margin on new vehicles continued to increase: it was up by 0.2 points from six months ago and up by 0.5 points from last winter. Almost two thirds of respondents (18; 60%) saw their score improve and about the same number of responses (17; 57%) were above the neutral mark of 5.0.

Return on investment

How satisfied are you with the required level of capital investment?



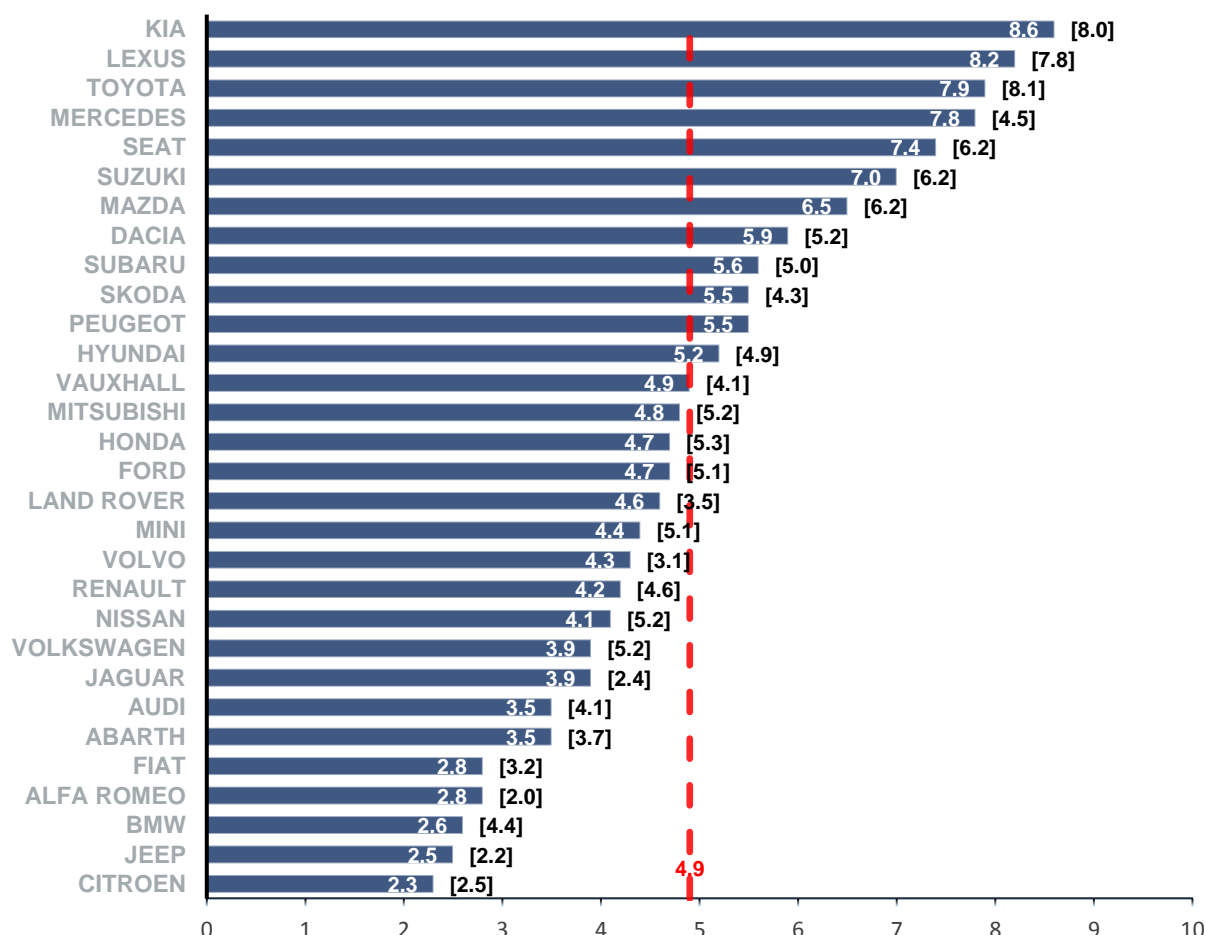
Top performer:	Kia	9.0 points
Bottom performer:	Jaguar	1.8 points
Biggest improvement:	Mercedes and Dacia	+2.4 points
Largest decline:	BMW	-2.1 points
Average score:		5.3 points
Previous average:		5.4 points

Summary

At 5.3 points, the average dealers' satisfaction required level of capital investment saw a slight decline of 0.1 points from the summer survey but was 0.3 points higher than 12 months ago. 18 scores improved, while 12 declined. More than half of the dealer networks surveyed (16; 53%) gave an answer above 5.0.

Return on investment

How satisfied are you with the return on capital for your dealership?



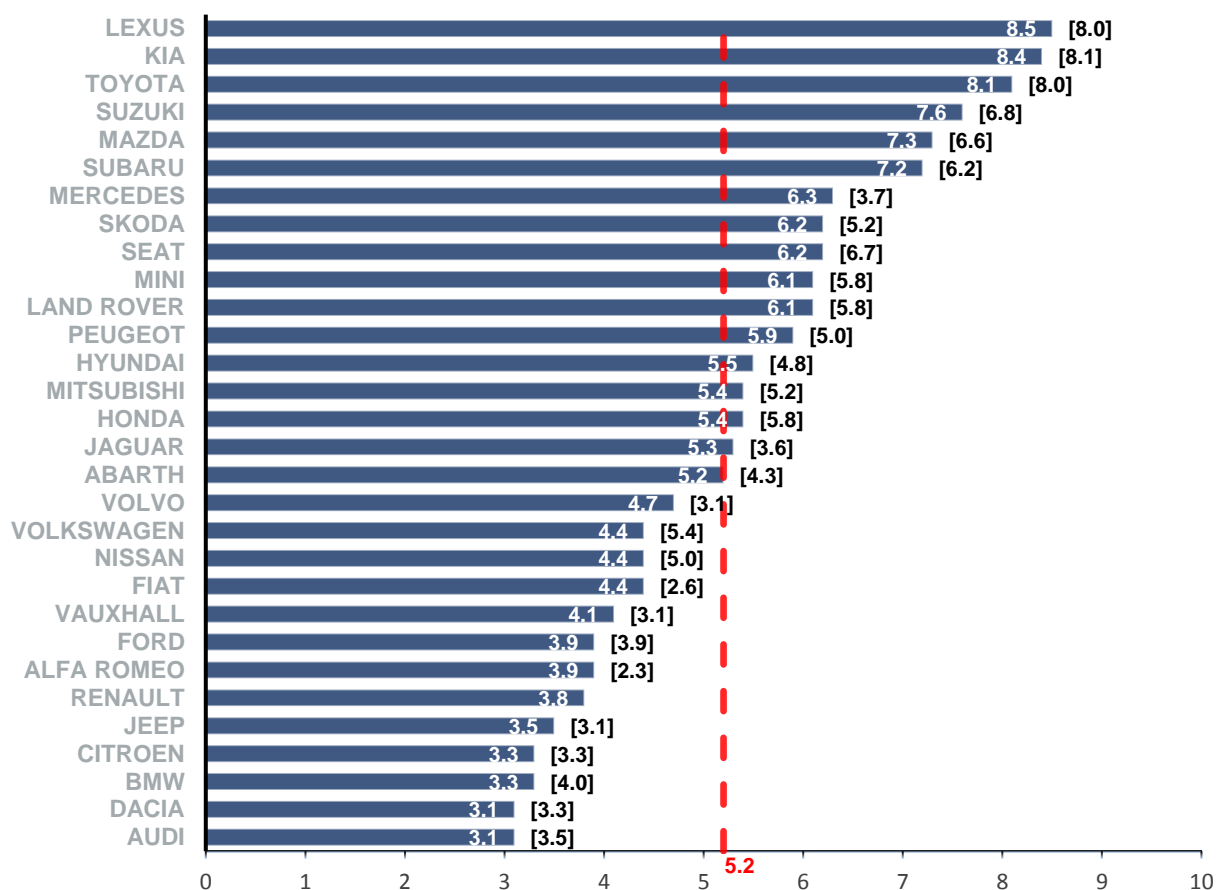
Top performer:	Kia	8.6 points
Bottom performer:	Citroen	2.3 points
Biggest improvement:	Mercedes	+3.3 points
Largest decline:	BMW	-1.8 points
Average score:		4.9 points
Previous average:		4.8 points

Summary

Although the average score remains low, dealers' levels of satisfaction with the return on capital for their dealerships also improved in this issue of the survey. The score of 4.9 was up by 0.1 points from six months ago and by 0.4 from last year. Over the past six months, 17 dealer networks out of 30 saw their score increase. Less than half of the respondents (12; 40%) gave a score above the neutral mark of 5.0.

Targets

How satisfied are you that the volume target aspirations of your manufacturer are realistic?



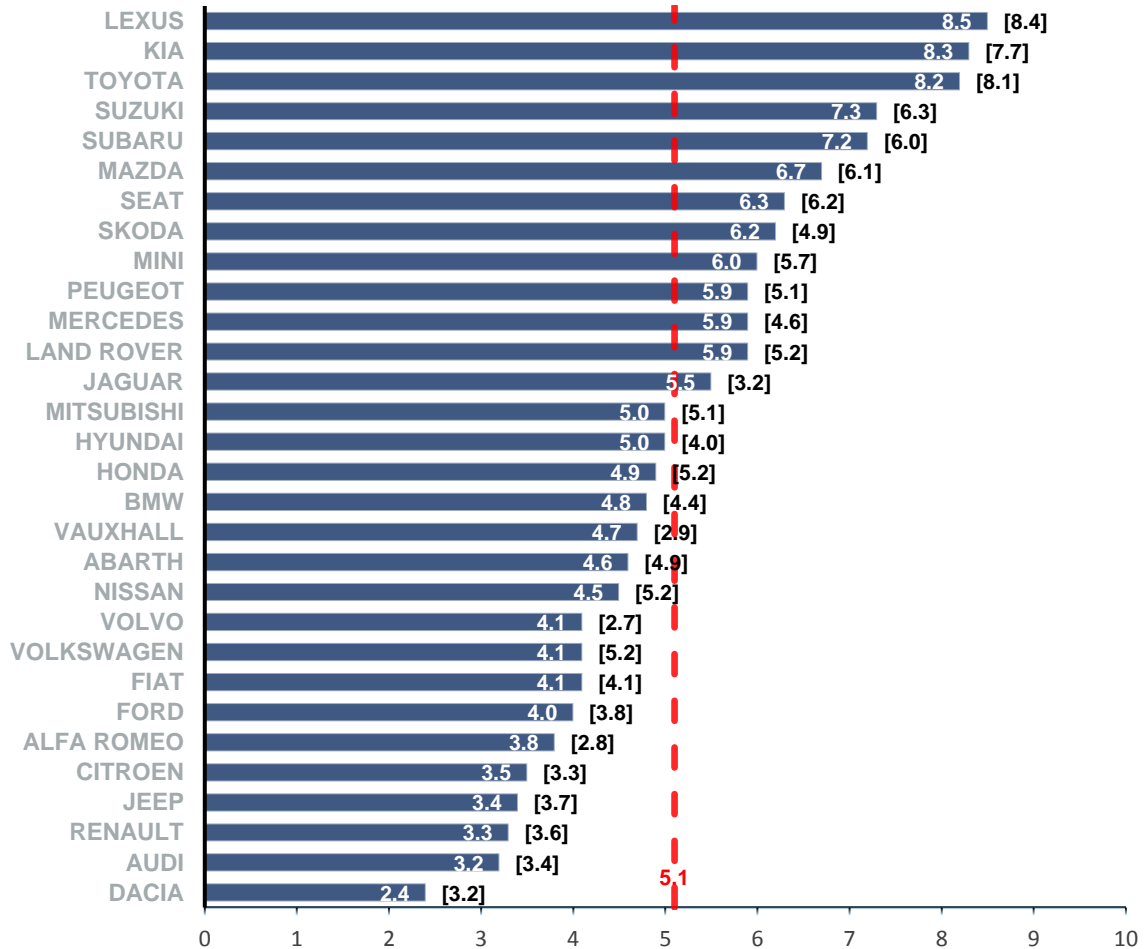
Top performer:	Lexus	8.5 points
Bottom performer:	Audi and Dacia	3.1 points
Biggest improvement:	Mercedes	+2.6 points
Largest decline:	Volkswagen	-1.0 points
Average score:		5.2 points
Previous average:		4.8 points

Summary

The average score indicating dealers' satisfaction with their manufacturers' target aspirations rose from 4.5 to 5.2 over the last twelve months (six months ago the average was 4.8). The vast majority of the dealer networks surveyed (21; 70%) saw their score grow, 7 decreased and 2 remained unchanged. More than half of the manufacturers (17; 57%) had a score above 5.0.

Targets

How satisfied are you with your new car targeting process?



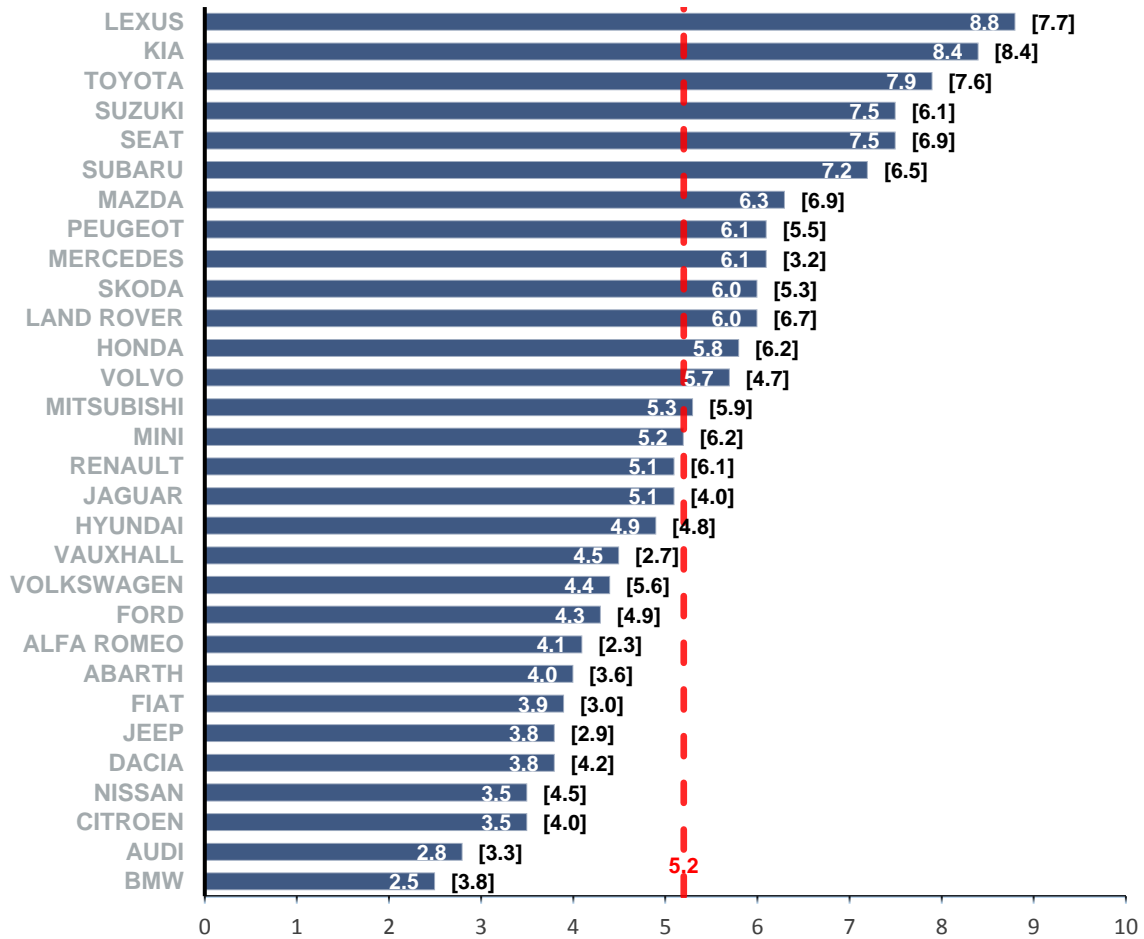
Top performer:	Lexus	8.5 points
Bottom performer:	Dacia	2.4 points
Biggest improvement:	Jaguar	+2.3 points
Largest decline:	Volkswagen	-1.1 points
Average score:		5.1 points
Previous average:		4.7 points

Summary

The average dealers' satisfaction with their new car targeting process grew by 0.4 points from six months ago. Two thirds of respondents (20; 67%) saw their rating improve, while 9 declined and 1 did not change. There were still less than half of the responses above 5.0 points (13; 43%).

Self-registrations

How satisfied are you with your manufacturer’s inducement to self-register vehicles?



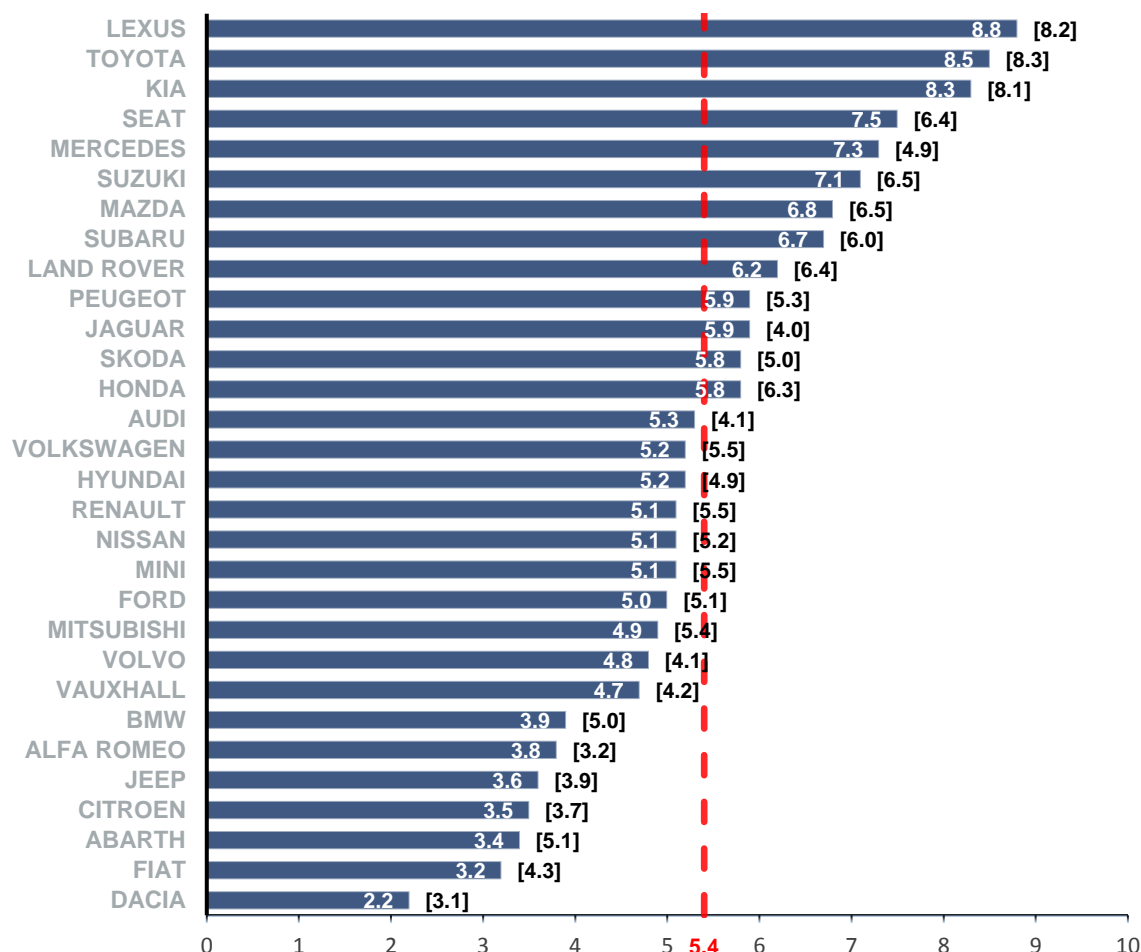
Top performer:	Lexus	8.8 points
Bottom performer:	BMW	2.5 points
Biggest improvement:	Mercedes	+2.9 points
Largest decline:	BMW	-1.3 points
Average score:		5.2 points
Previous average:		5.1 points

Summary

The average dealers’ satisfaction levels with manufacturers’ inducement to self-register vehicles rose from 5.1 to 5.2 points. A year ago, the average score was 4.8. Slightly more than half of the dealer networks (16; 53%) saw their score grow, 13 gave a lower rating than six months ago and 1 remained static. More than half of the responses (17; 57%) were higher than 5.0.

Incentives

How satisfied are you with your current bonus and rebate rates on new car sales?



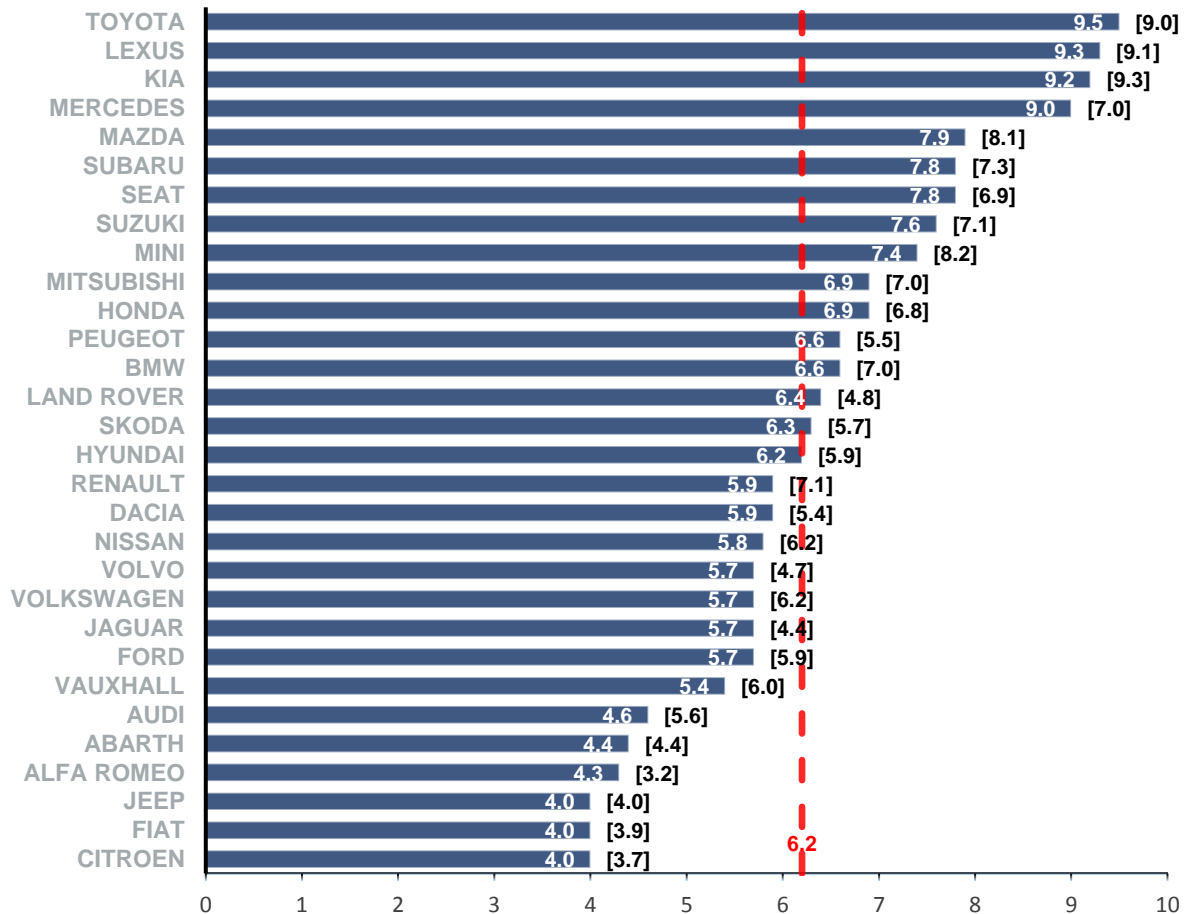
Top performer:	Lexus	8.8 points
Bottom performer:	Dacia	2.2 points
Biggest improvement:	Mercedes	+2.4 points
Largest decline:	Abarth	-1.7 points
Average score:		5.4 points
Previous average:		5.3 points

Summary

Satisfaction levels continued the positive trend in this area, up by 0.1 points from six months ago and by 0.5 compared to the last winter survey. Overall, 16 networks improved while 14 declined, and 19 networks had a score above the neutral mark of 5.0 points.

Day-to-day working relationship

How satisfied are you with your ability to do business with your manufacturer on a day-to-day basis?



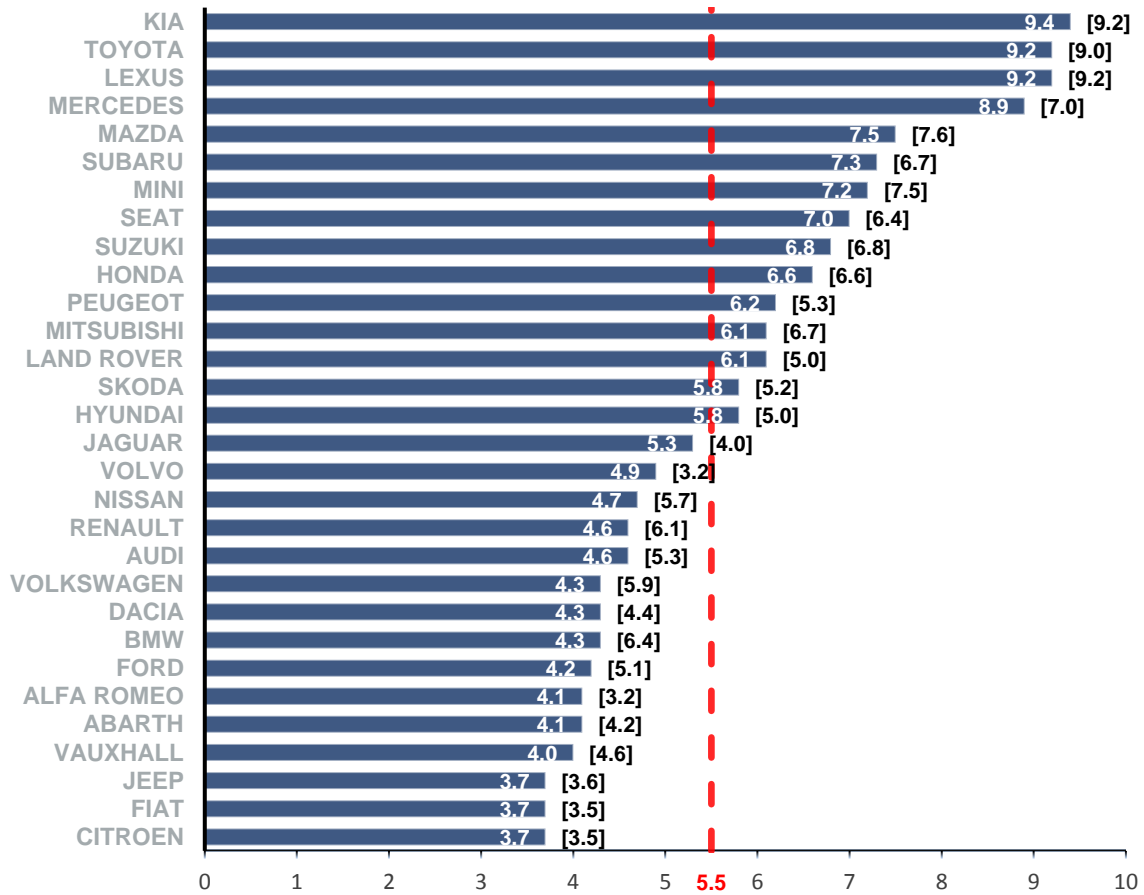
Top performer:	Toyota	9.5 points
Bottom performer:	Jeep, Fiat and Citroen	4.0 points
Biggest improvement:	Mercedes	+2.0 points
Largest decline:	Renault	-1.2 points
Average score:		6.2 points
Previous average:		6.2 points

Summary

The ability to do business on a day-to-day basis is a crucial aspect of the dealer/manufacturer relationship. The average score remained unchanged from six months ago. More than half of the respondents saw an improvement in score (17; 57%), while 11 went down and 2 did not change. The majority of the ratings were above 5.0 points (24; 80%).

Day-to-day working relationship

How satisfied are you that the management of your manufacturer actually takes dealers' views and opinions into account?



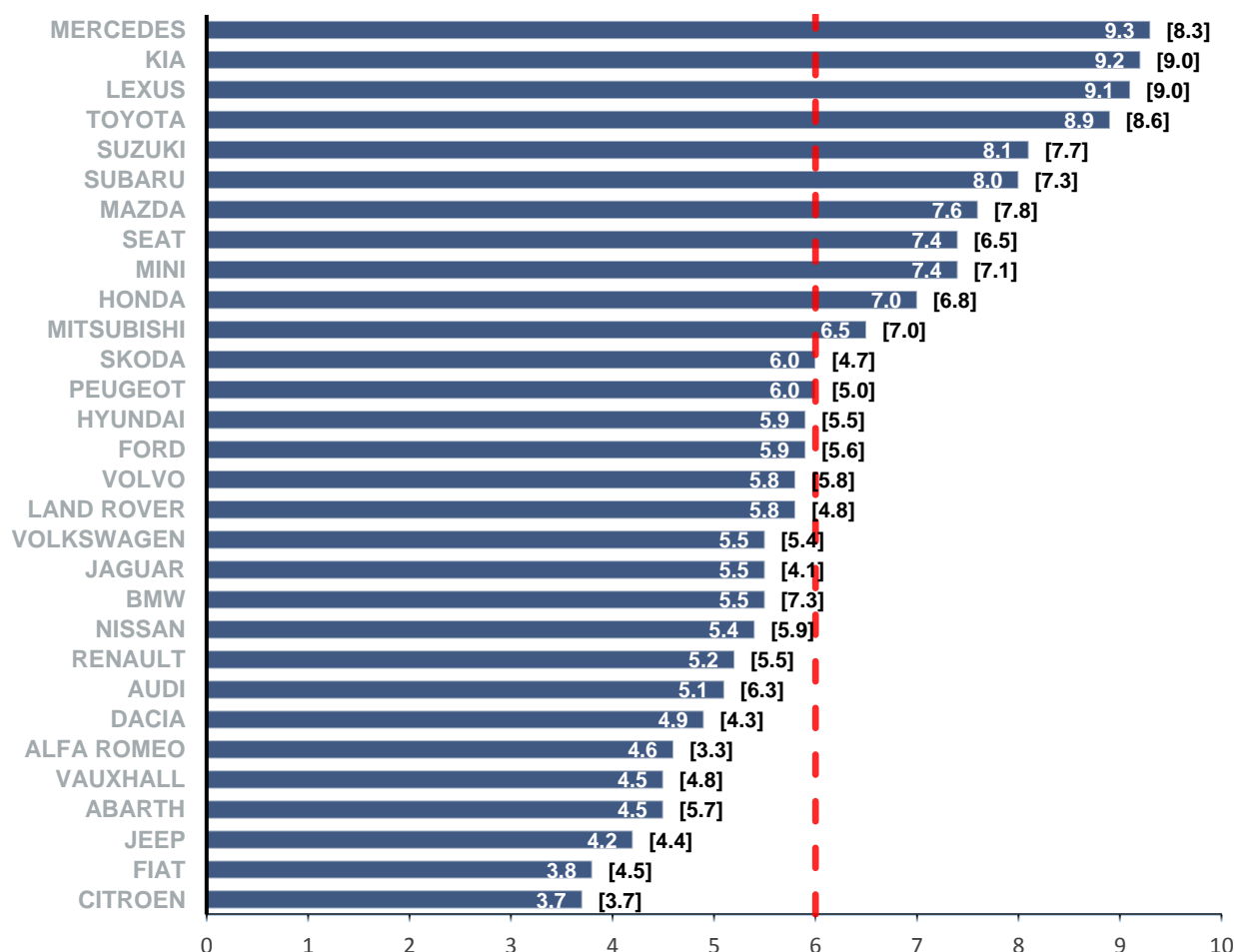
Top performer:	Kia	9.4 points
Bottom performer:	Jeep, Fiat and Citroen	3.7 points
Biggest improvement:	Mercedes	+1.9 points
Largest decline:	BMW	-2.1 points
Average score:		5.5 points
Previous average:		5.7 points

Summary

The average score of 5.5 is 0.2 points lower than six months ago and 0.2 points higher than a year ago. Overall, half of the manufacturers had a higher score than six months ago, 12 ratings were lower and 3 did not change. Slightly more than half of the responses (16; 53%) were above the neutral mark of 5.0.

Standards and performance measures

How satisfied are you that your manufacturer’s dealer standards are fair and reasonable?



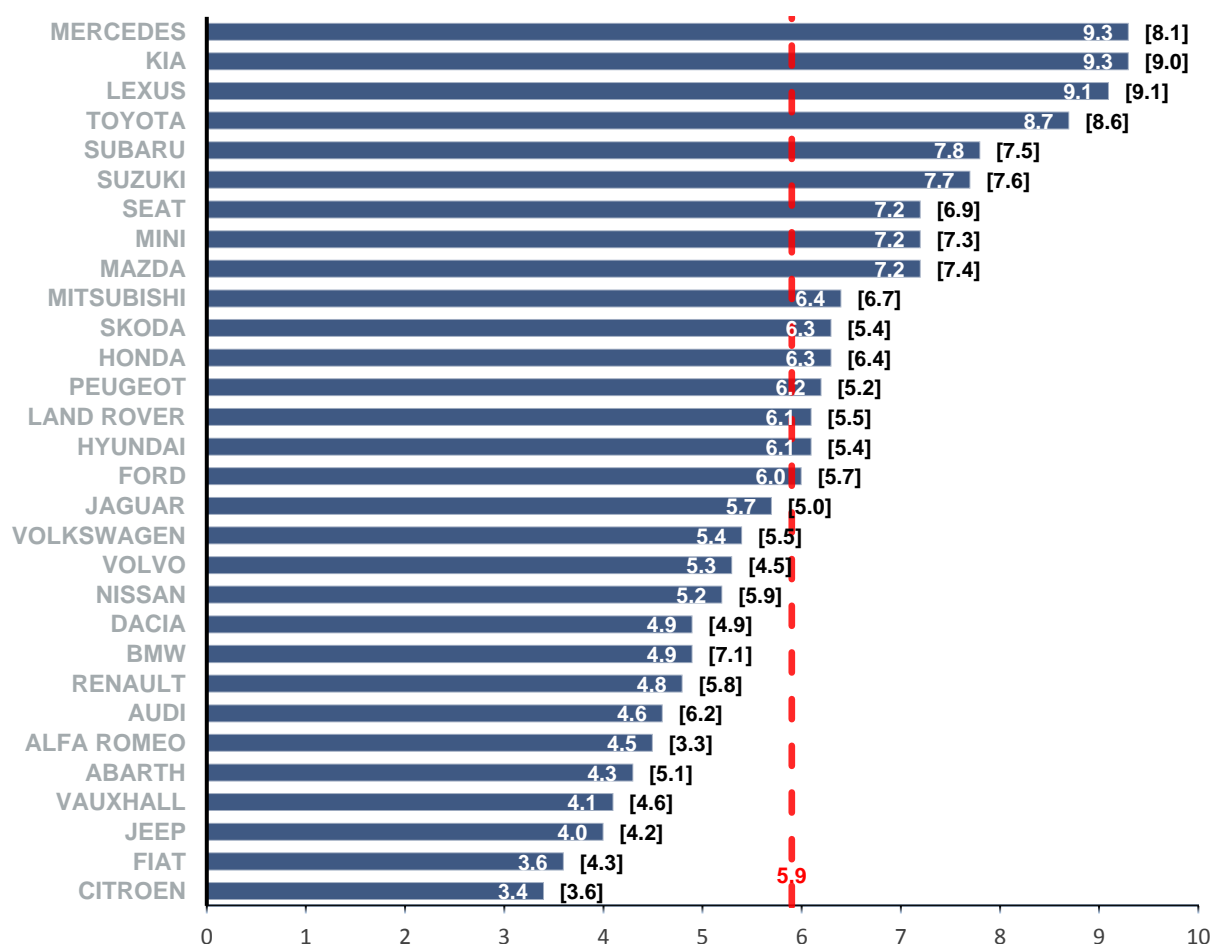
Top performer:	Mercedes	9.3 points
Bottom performer:	Citroen	3.7 points
Biggest improvement:	Jaguar	+1.4 points
Largest decline:	BMW	-1.8 points
Average score:		6.0 points
Previous average:		6.0 points

Summary

The average dealers’ satisfaction with manufacturers’ standards remained stable following an improvement of 0.3 points from last year. More than half of the respondents (18; 60%) saw an improvement in score, 11 declined and 1 did not change. Most of the responses were above 5.0 (23; 77%).

Standards and performance measures

How satisfied are you that the performance measures used by your manufacturer on your business are fair and reasonable?



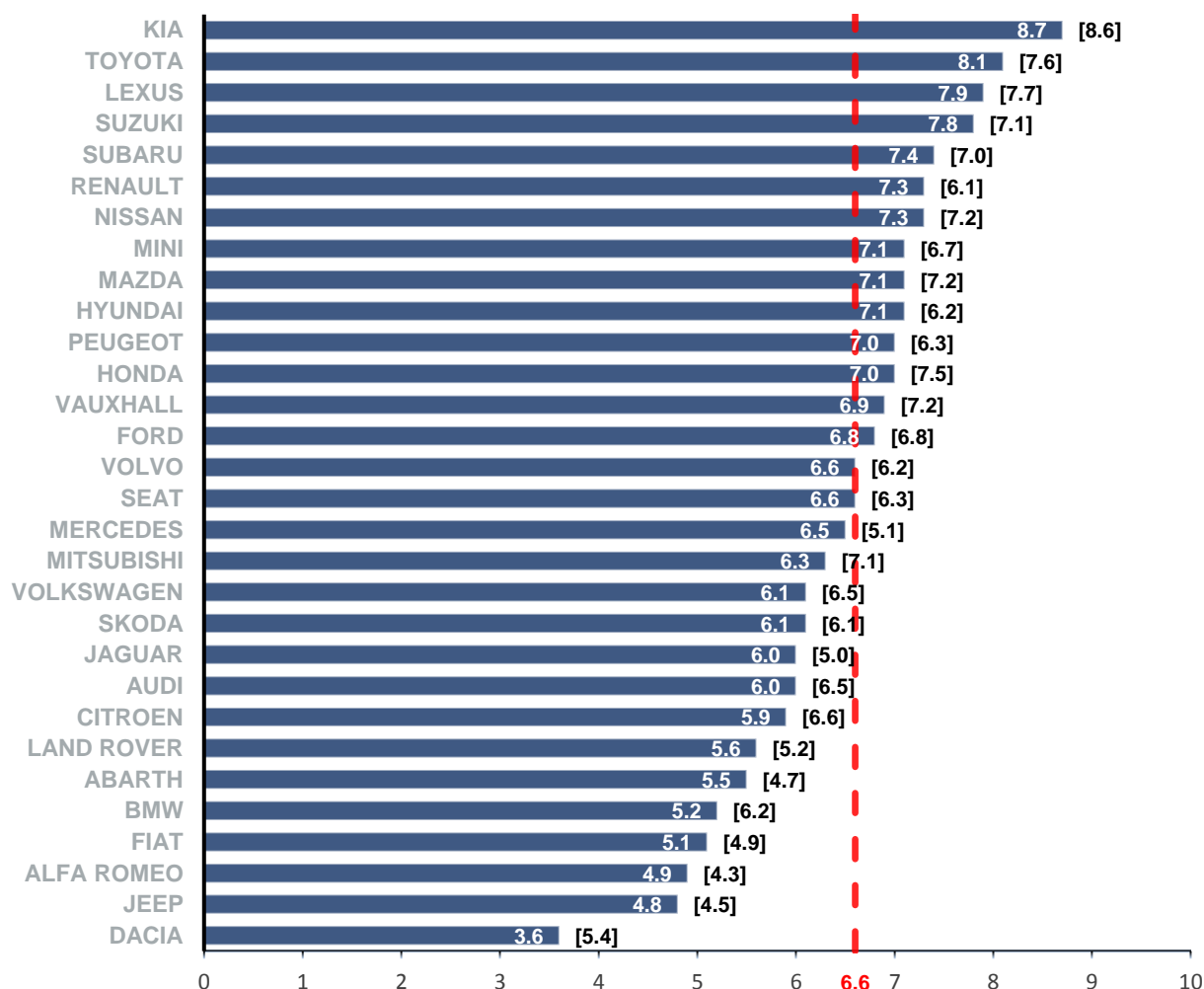
Top performer:	Mercedes and Kia	9.3 points
Bottom performer:	Citroen	3.4 points
Biggest improvement:	Alfa Romeo and Mercedes	+1.2 points
Largest decline:	BMW	-2.2 points
Average score:		5.9 points
Previous average:		5.9 points

Summary

In this area, the average score remained the same following an increase of 0.2 points recorded six months ago. The same number of networks saw their score improve and decline (14; 47%) while 2 did not change. Two thirds of the responses (20; 67%) were higher than the neutral mark of 5.0.

Used cars

How satisfied are you with your total margin on used car sales?



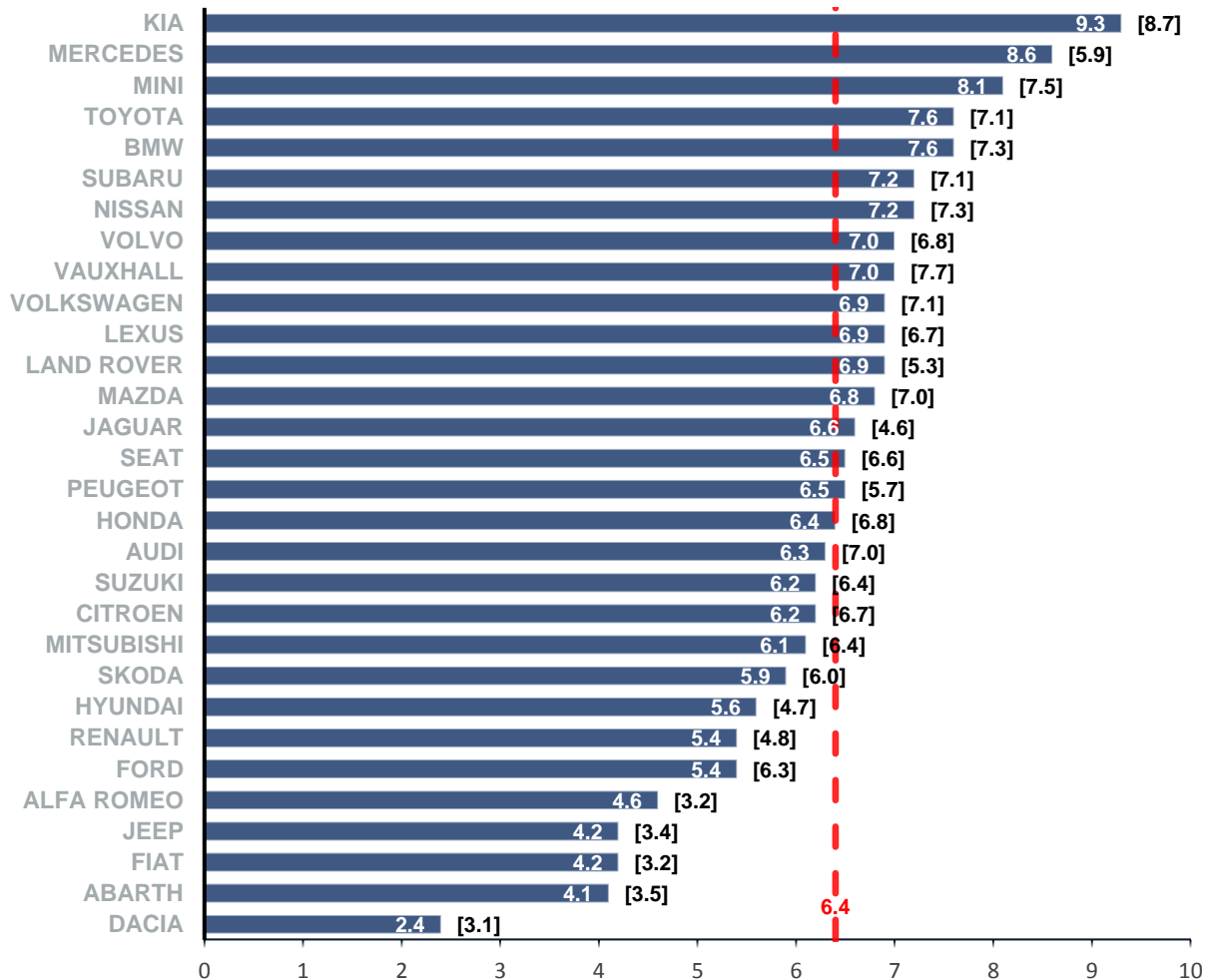
Top performer:	Kia	8.7 points
Bottom performer:	Dacia	3.6 points
Biggest improvement:	Mercedes	+1.4 points
Largest decline:	Dacia	-1.8 points
Average score:		6.6 points
Previous average:		6.5 points

Summary

This is the third time respondents were questioned about used car sales and the average score continued to increase, up by 0.1 from last summer's 6.5 and by 0.4 points from a year ago. Overall, 19 ratings grew, 9 declined and 2 remained the same. A record 27 out of 30 scores were above 5.0 points.

Used cars

How satisfied are you with your manufacturer's used car programme?



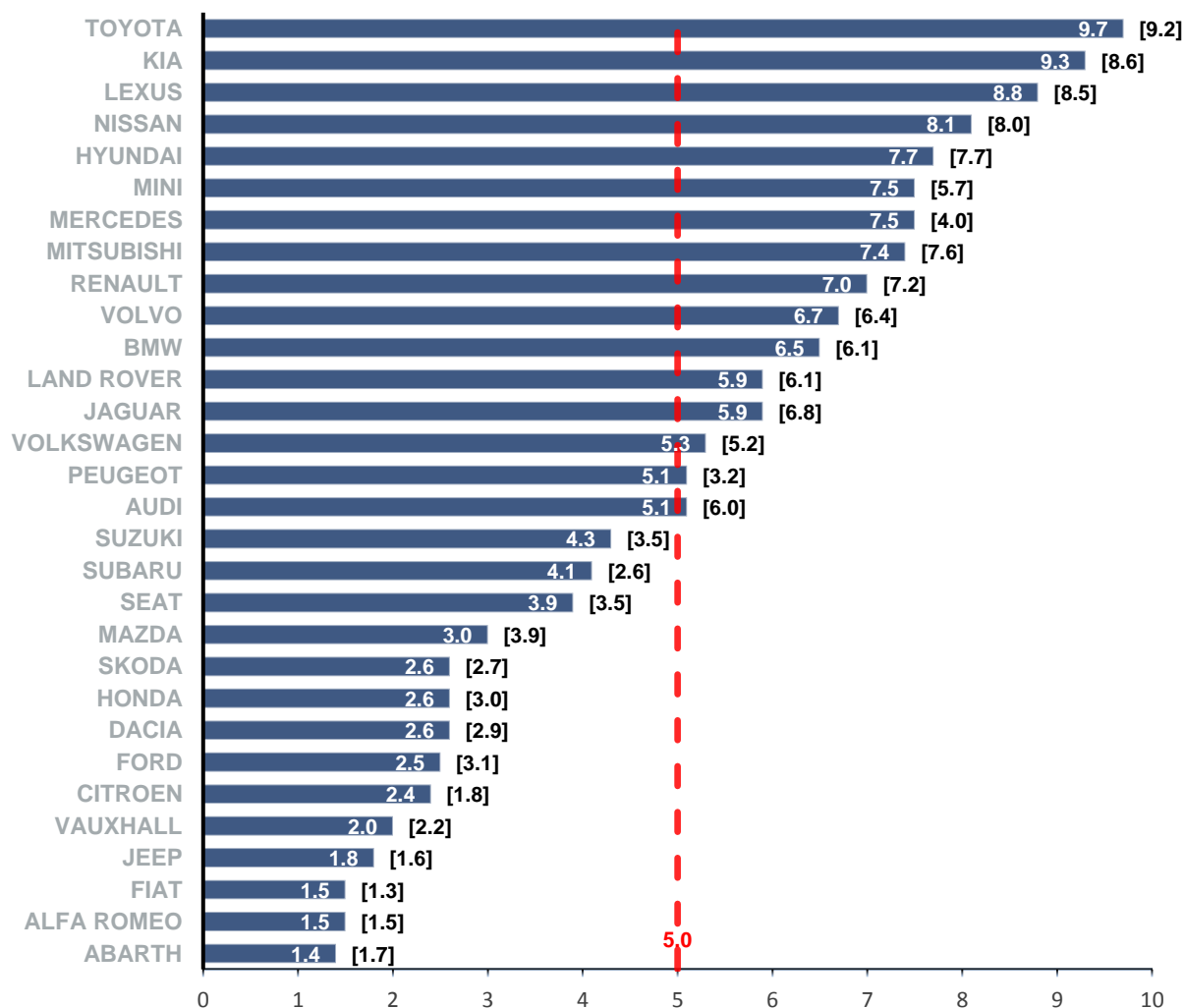
Top performer:	Kia	9.3 points
Bottom performer:	Dacia	2.4 points
Biggest improvement:	Mercedes	+2.7 points
Largest decline:	Ford	-0.9 points
Average score:		6.4 points
Previous average:		6.1 points

Summary

Retailers showed higher levels of satisfaction with their manufacturers' used car programmes, up by 0.3 points from six months ago. More than half had an improvement in score (17; 57%), while the rest declined. Looking at the neutral 5.0 mark, 25 responses were above it.

Future directions

How satisfied are you with the alternative fuel vehicle offering?



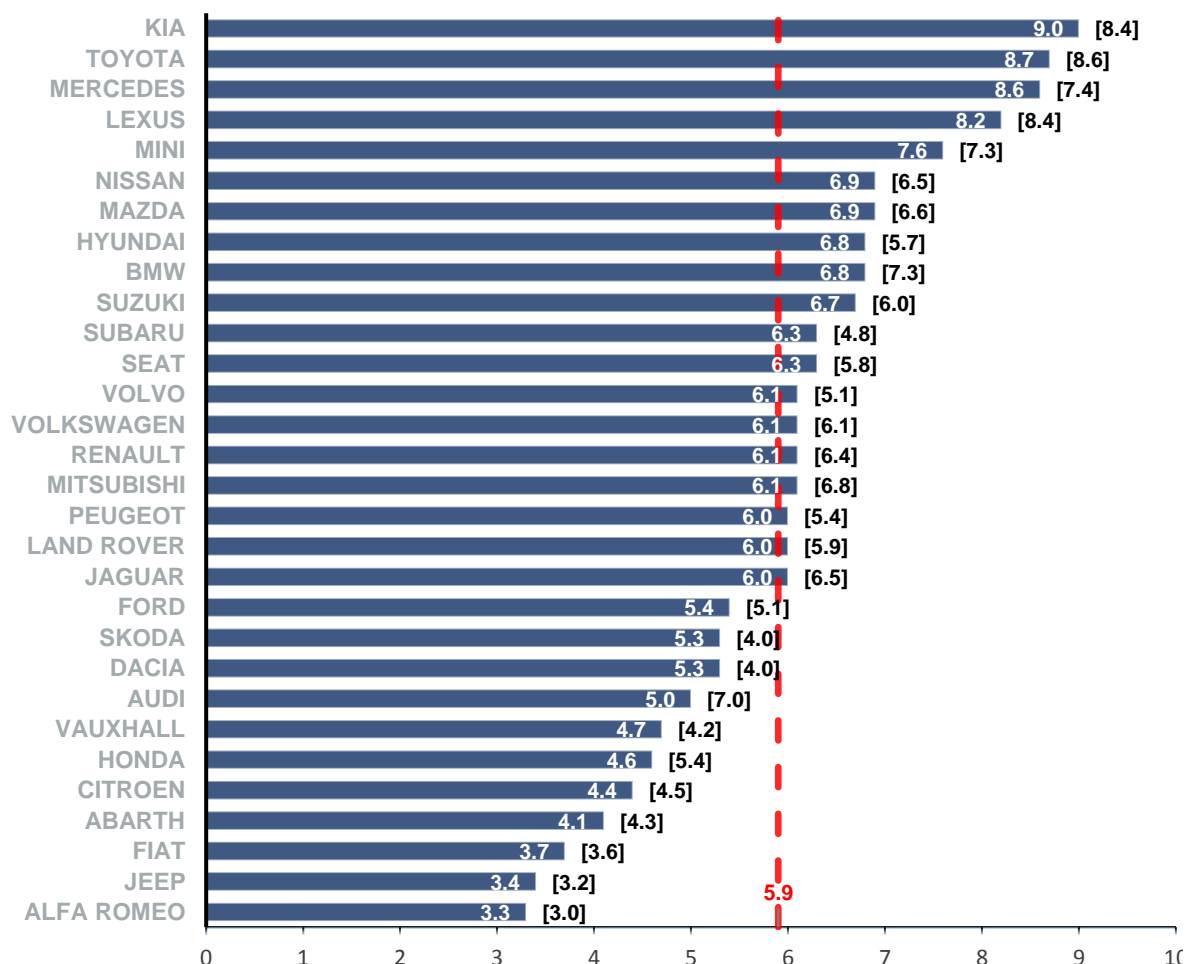
Top performer:	Toyota	9.7 points
Bottom performer:	Abarth	1.4 points
Biggest improvement:	Mercedes	+3.5 points
Largest decline:	Audi, Jaguar and Mazda	-0.9 points
Average score:		5.0 points
Previous average:		4.8 points

Summary

The average dealers' satisfaction with the alternative fuel vehicle offering continued its steady growth, up by 0.2 points from six months ago and 0.3 points from twelve months ago. Out of all the respondents, 16 saw an increase in score, 12 went down and 2 remained the same. More than half of the participating networks (16; 53%) gave a response above 5.0.

Future directions

How satisfied are you with your manufacturer’s approach to future retailing channels?



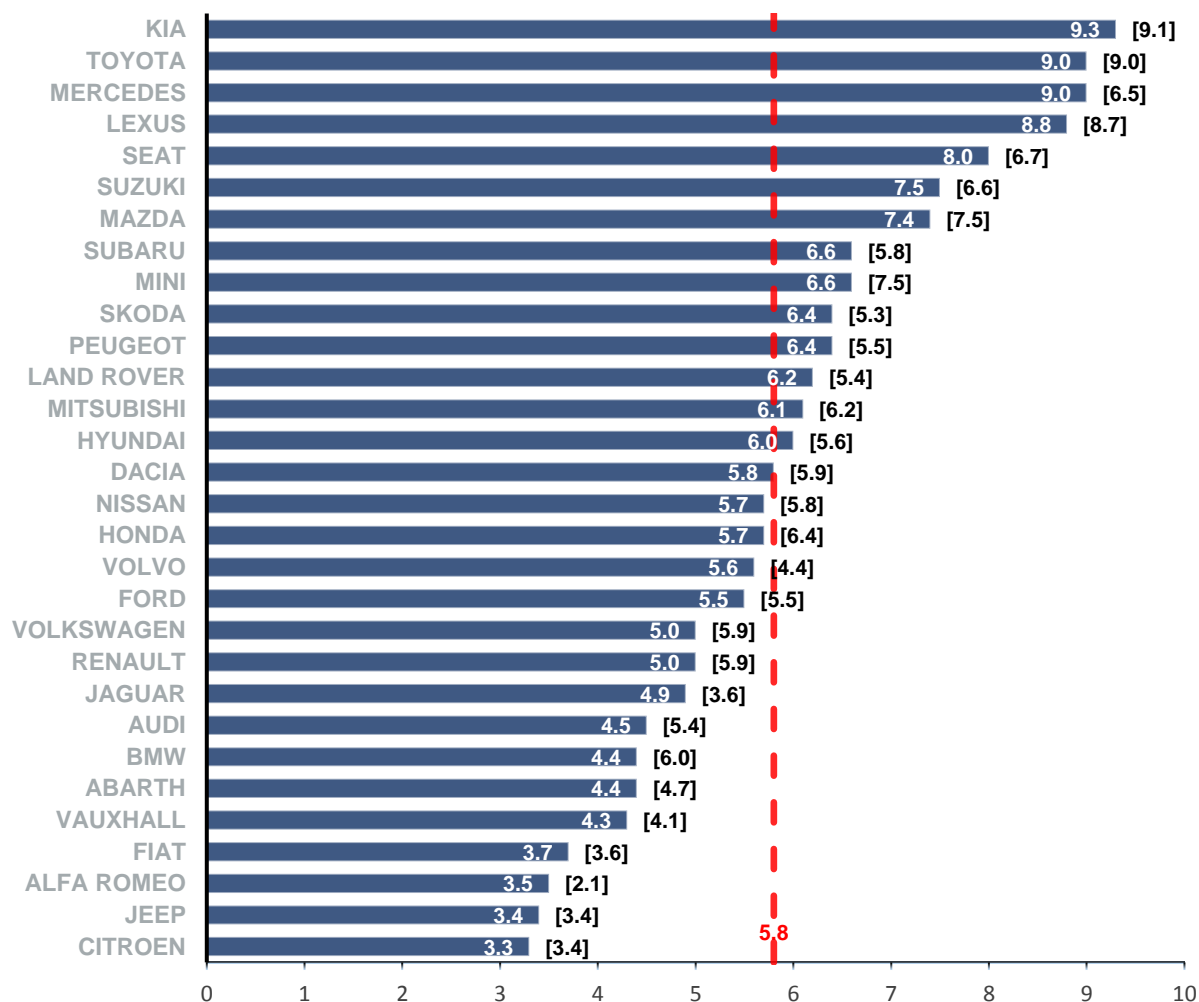
Top performer:	Kia	9.0 points
Bottom performer:	Alfa Romeo	3.3 points
Biggest improvement:	Subaru	+1.5 points
Largest decline:	Audi	-2.0 points
Average score:		5.9 points
Previous average:		5.7 points

Summary

The average score of 5.9 is an increase of 0.2 points from the previous survey and half a point from last year’s winter survey. About two out of every three networks saw their score increase (20; 67%), 9 went down and 1 did not change. Most responses were above 5.0 (22; 73%).

Overall manufacturer scores

How would you rate your manufacturer overall on scale of 1 to 10?



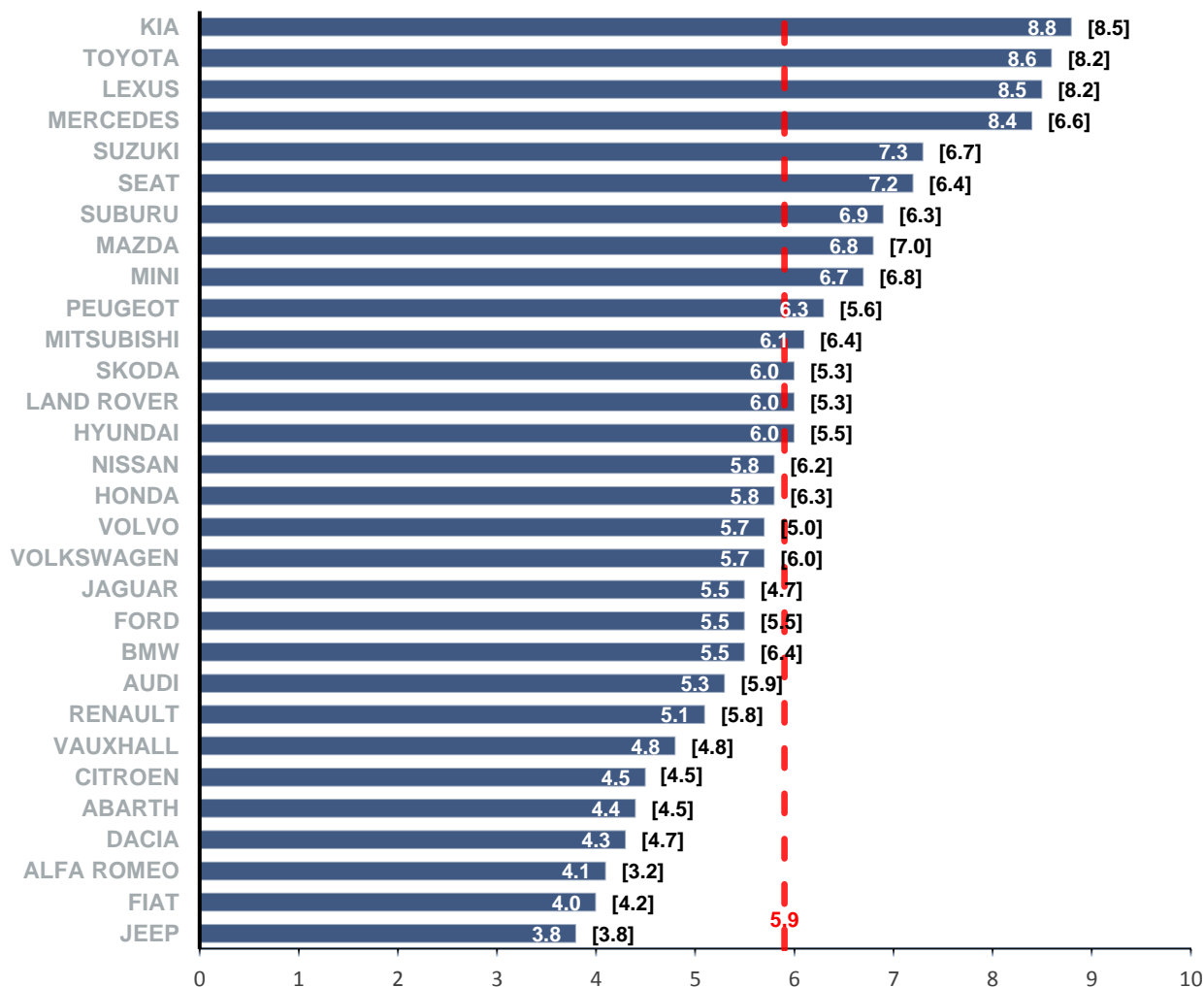
Top performer:	Kia	9.3 points
Bottom performer:	Citroen	3.3 points
Biggest improvement:	Mercedes	+2.5 points
Largest decline:	BMW	-1.6 points
Average score:		5.8 points
Previous average:		5.7 points

Summary

The average score given in response to the key question *how would you rate your manufacturer overall?* rose by 0.1 points from the last survey and a significant 0.5 points from twelve months ago. Half of the dealer networks saw their score increase, while 12 decreased and 3 did not move. Slightly less than two thirds of the responses (19; 63%) were above 5.0.

Overall manufacturer scores

Average score across all questions



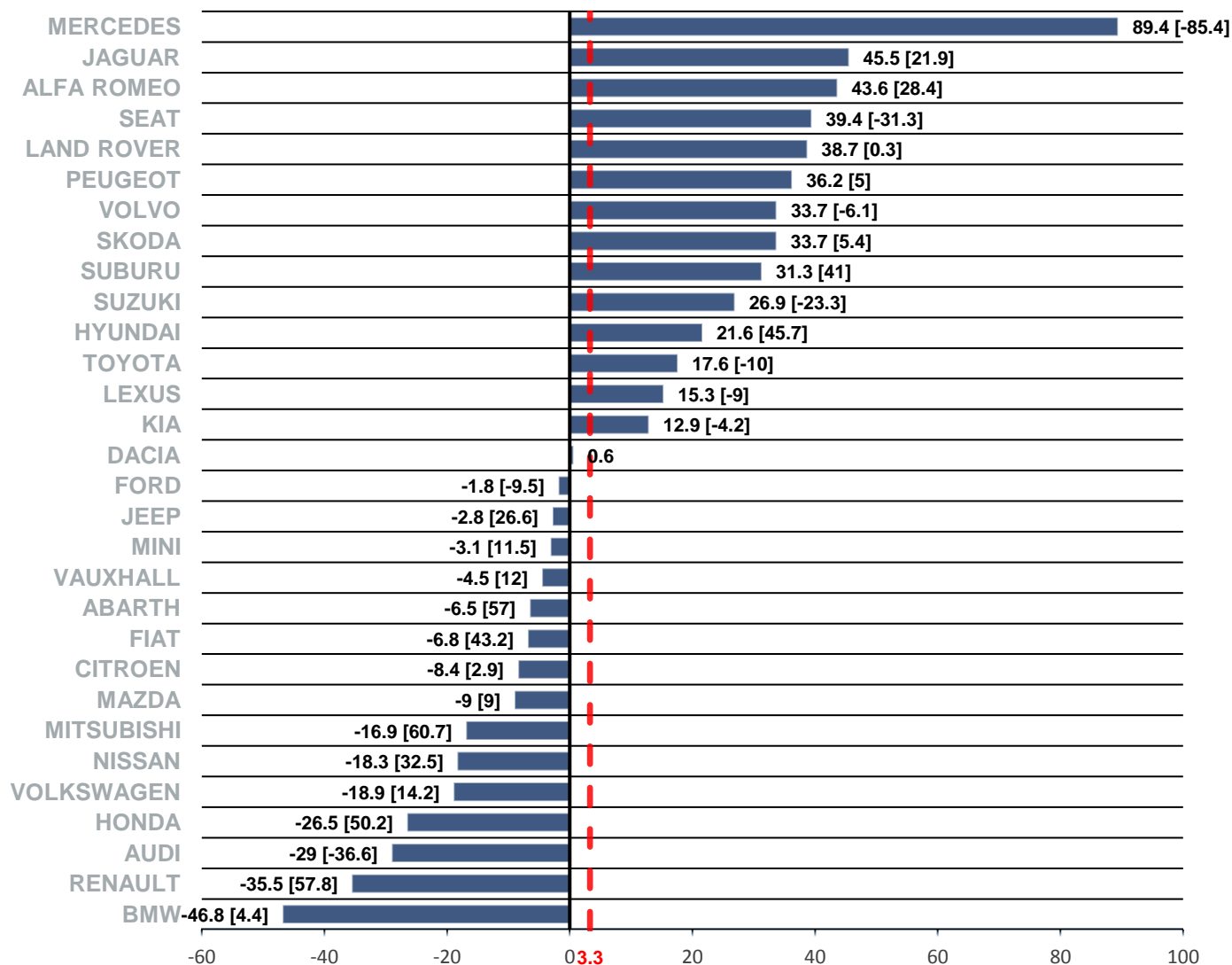
Top performer:	Kia	8.8 points
Bottom performer:	Jeep	3.8 points
Biggest improvement:	Mercedes	+1.7 points
Largest decline:	BMW	-0.9 points
Average score:		5.9 points
Previous average:		5.6 points

Summary

The *average score across all questions* of the survey gives a clear idea of the general performance of each manufacturer. There was an overall average increase of 0.3 points, almost half of the respondents saw an increase (14; 48%), 12 declined, and 4 did not change. There were 23 out of 30 responses above 5.0.

Overall manufacturer scores

Total movement across all questions



Biggest improvement:	Mercedes	+89.4 points
Largest decline:	BMW	-46.8 points
Average movement:		+3.3 points
Previous average:		+13.0 points

Summary

The movement in score across all the questions of the survey shows the overall improvements and declines of each manufacturer. On average, ratings went up by 3.3 points from six months ago and by 16.3 points from last year.



201 Great Portland Street, London, W1W 5AB
Tel.: 020 7580 9122 nfda@rmif.co.uk
www.nfda-uk.co.uk

