

Consumer Attitude Survey

Spring 2017



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Introduction

The National Franchised Dealers Association (NFDA) commissioned the third wave of the Consumer Attitude Survey to continue to research market opinion and explore perceptions towards franchised dealers amongst car owners. The study, executed by Public Knowledge, polled 1,000 consumers across the UK in a 15-minute online survey between 1 and 9 December 2016. Public Knowledge considers the results statistically significant with a confidence level of over 99%. The previous waves of the survey were carried out in December 2015 and June 2016.

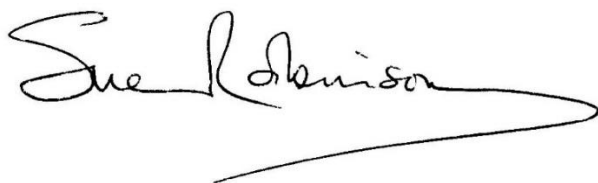
The survey was undertaken with five major objectives:

- Explore current market perceptions of franchised dealerships and their competitors
- Understand current consumer aftersales behaviour
- Examine factors influencing consumer aftersales decision making
- Determine consumer opinions of the aftersales offering at franchised dealerships
- Assess awareness and understanding of the franchised dealership aftersales offering

The consistent research objectives and background has allowed the NFDA to start building trends that it hopes will be of benefit to all in the industry. In this wave of the Consumer Attitude Survey the issue of internet bookings and technology has been explored along with continued analysis of consumer convenience and consumer experience at the dealership.

Sue Robinson

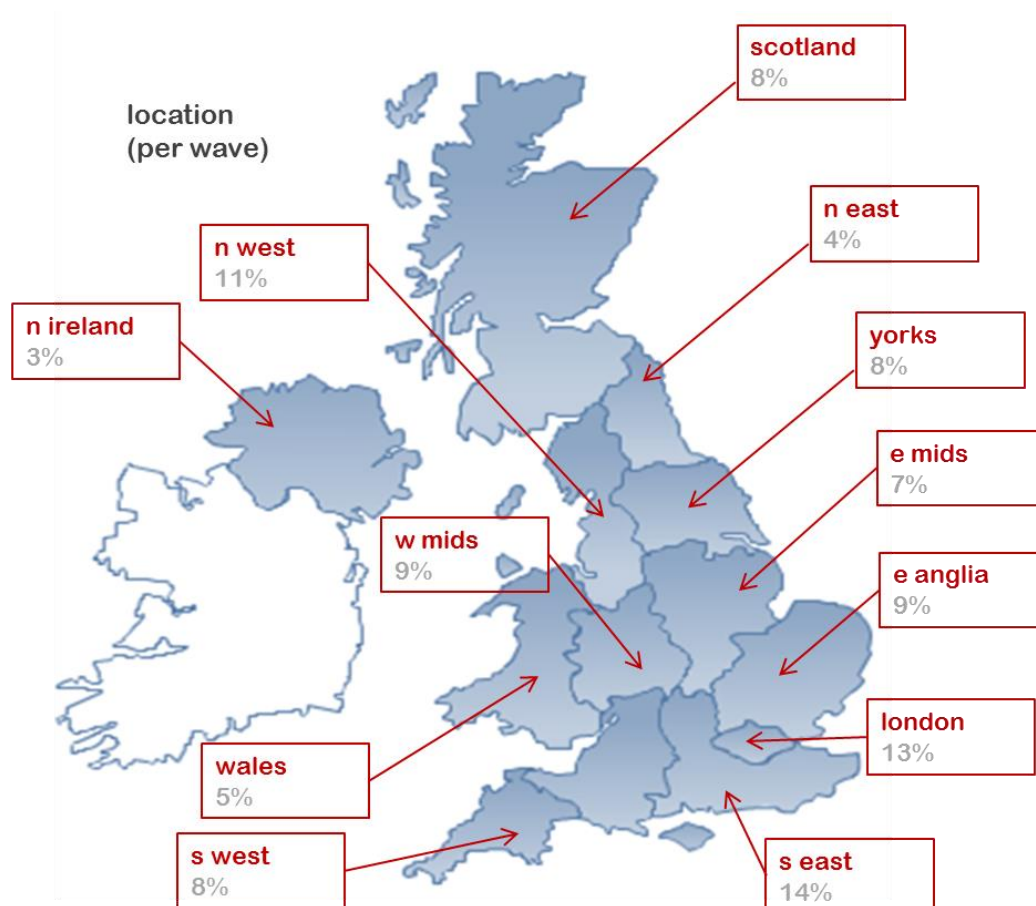
Director, National Franchised Dealers Association



Breakdown

The survey is seen as representative of the UK consumer with an even gender split of 51% female and 49% male. The breakdown in location is also reflective of the UK population as shown in Figure 1.

Figure 1:



How does a retail motor consumer use the internet?

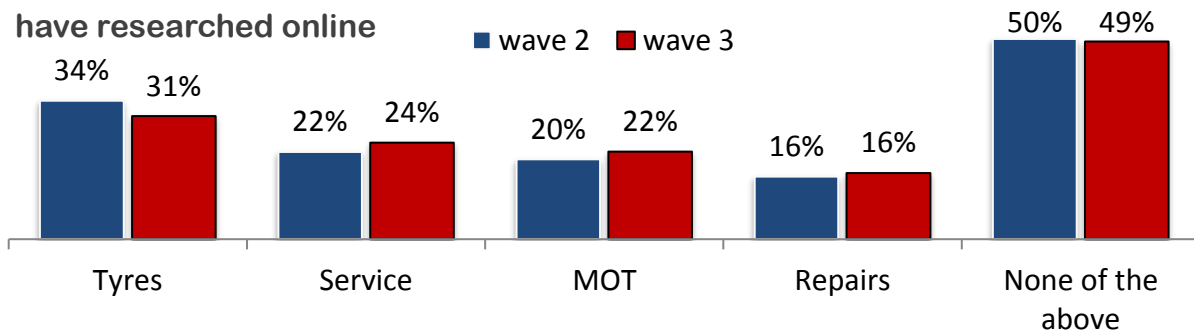
With the ever growing importance of the internet and technology in consumer retail, the NFDA asked 1,000 consumers, 'in the past, have you used the internet to research: tyres, service, MOT and repairs for your car?'. The response received indicated that over half of consumers have researched at least one of the car maintenance services listed.

The use of the internet for vehicle servicing, as may be expected, increases significantly amongst the younger age group categories.

Figure 2 demonstrates that the most researched service by consumers is tyre changing at 31%. The results obtained in wave 3 of the survey are similar to those found in wave 2 of the survey conducted in June 2016

In the past, have you used the internet to research any of the following for your car?

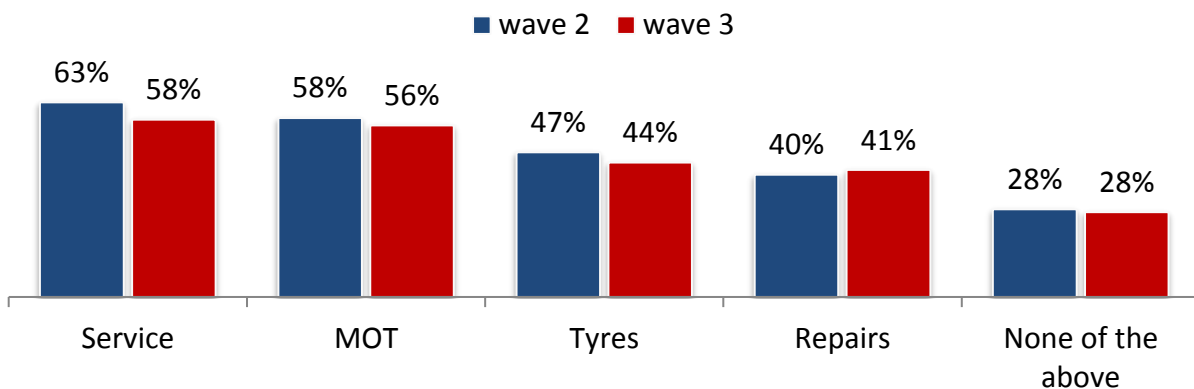
Figure 2



The statistics for internet bookings increased significantly when consumers were asked whether they would consider using the internet in future. The data seems to suggest that there is a lack of awareness of the ability to book a vehicle for servicing, MOT or repairs as the number of people who would book online is far higher than those who have already researched online.

In the future, would you consider using the internet to book your car in for any of the following?

Figure 3

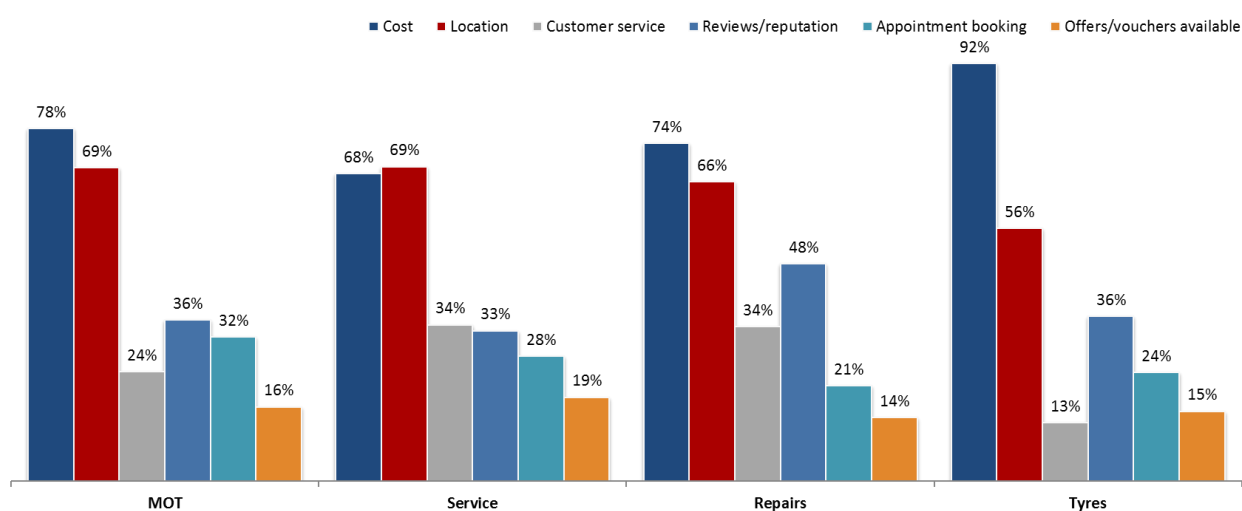


How does a retail motor consumer use the internet?

The survey asked what consumers searched and booked on the internet. The resulting data indicates that there are two main reasons consumers use the internet: to compare costs and to discover the location of the dealership. Figure 4 demonstrates that across all search categories cost and location are the critical factors. The least important factor across all categories was offers/vouchers available.

What have you researched on the internet?

Figure 4

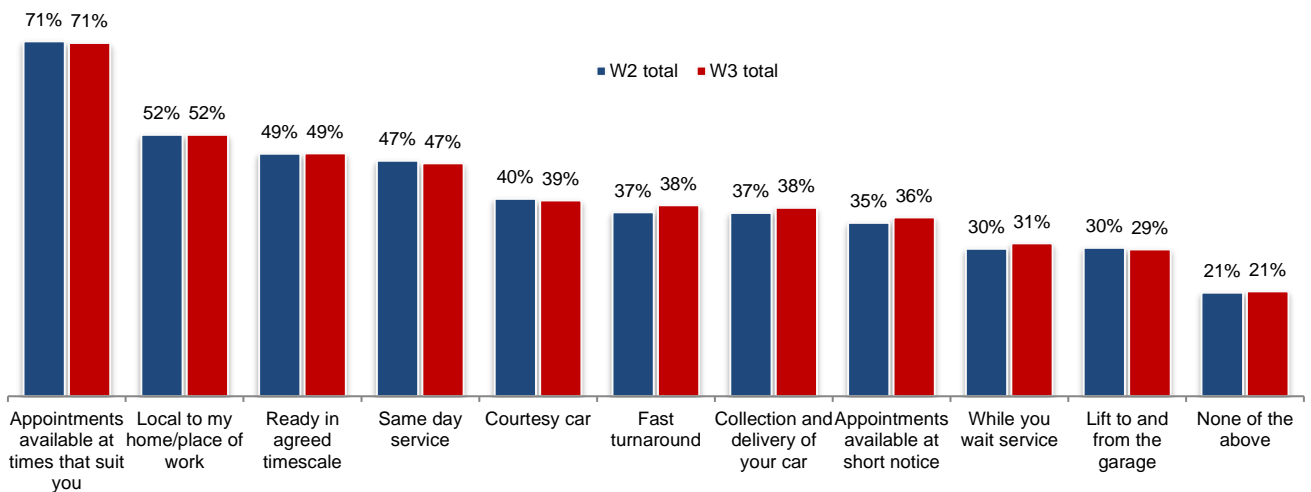


Convenience: what does it mean for the consumer?

As in wave 2 of the Consumer Attitude Survey, consumers were asked what best describes convenience and what other descriptions they would use to define it. The results remain very similar to the previous survey, with ‘appointments available at times that suit you’ the best description of convenience. Figure 5 clearly demonstrates the similarities in the statistics and continues to show that ‘while you wait servicing’ and ‘lifts to and from the garage’ are the least important factors when thinking about convenience.

From the options given, please firstly decide the one statement which best describes what ‘convenience’ means to you. Then please select all other statements which also describe ‘convenience’, in your opinion.

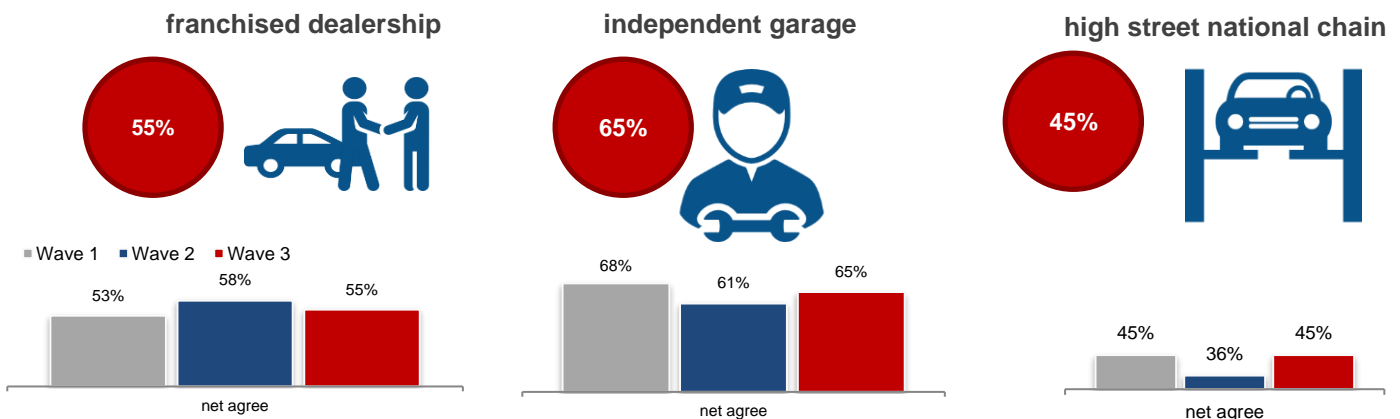
Figure 5



Independent garages remain, in the perception of consumers, the most convenient option, with two thirds agreeing they are convenient. However, over the past 12 months the perception of independent garages as convenient has decreased from 68% to 65%, whilst franchised dealers have improved from 53% to 55% in the same period.

Please indicate, on a scale of 1 to 5, where 1 is very inconvenient and 5 is very convenient, how convenient you think it is to get your car serviced by the following companies?

Figure 6



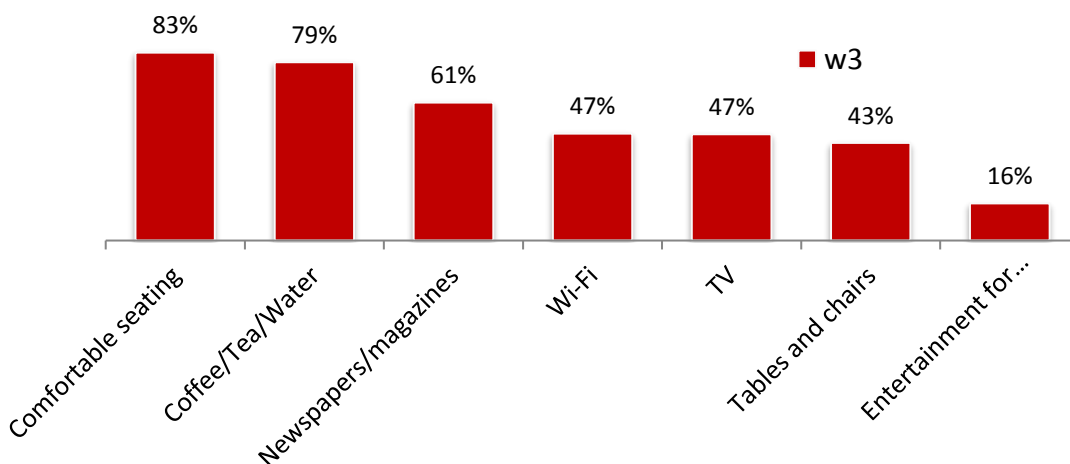
Consumer experience at the dealership

The third wave of the Consumer Attitude Survey focused on the consumer’s experience at the dealership. Of those surveyed, 46% stated that a customer lounge is very important or important to them. Interestingly, the importance of customer lounges was found to be higher amongst younger age categories.

Figure 7 demonstrates that the three most important facilities at the dealership are comfortable seating, drinks and reading materials. Entertainment for children was seen as the least important facility for those surveyed.

You said that having a dedicated customer waiting area would be important to you. Which of the following would you expect to find – as standard – in this type of waiting area?

Figure 7

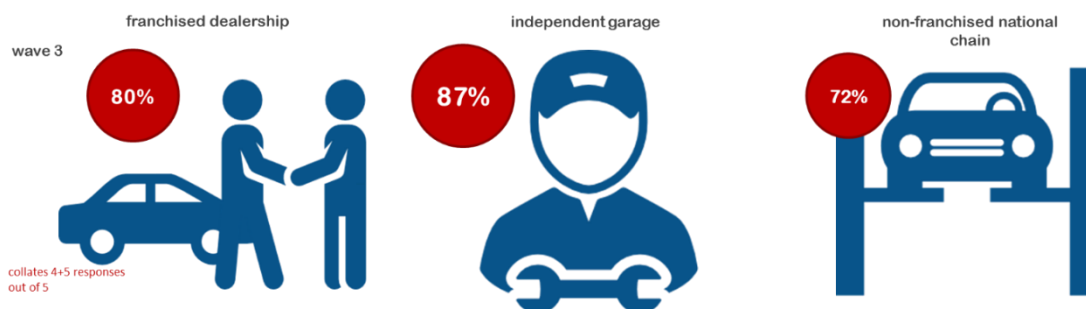


Overall satisfaction levels in the UK are high with independent garages offering the greatest level of satisfaction based on the last experience, 87%. However, franchised dealerships and non-franchised national chains still score highly for satisfaction at 80% and 72% respectively.

The data suggests that the overall level of consumer satisfaction in the UK vehicle servicing market is high and has been the case for the past 12 months.

Thinking about your last experience at a [...] please indicate on a scale of 1-5 how satisfied you were with your overall experience?

Figure 8

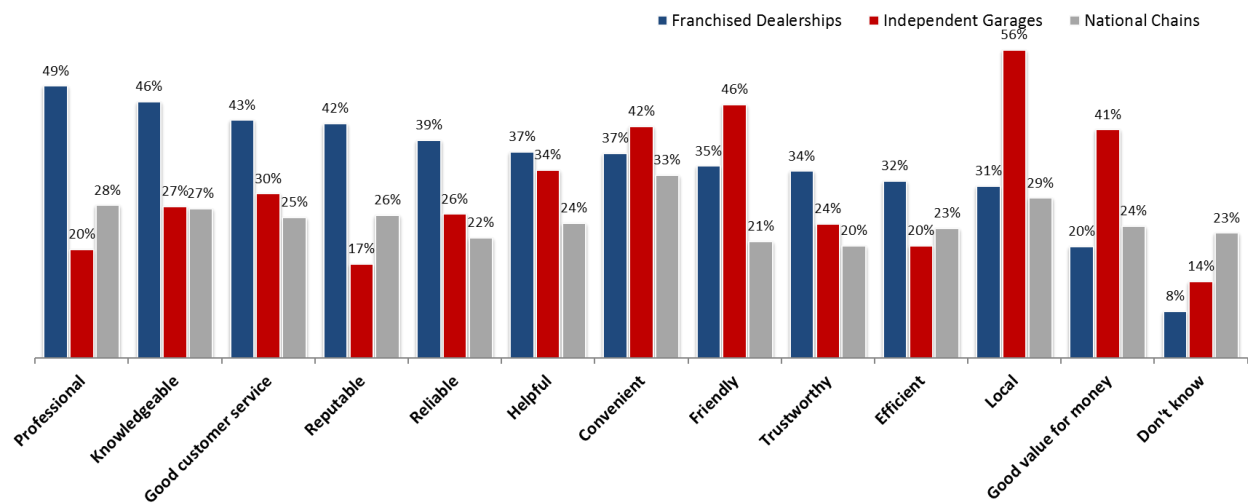


What is the perception of franchised dealers?

Franchised dealerships continue to stand out for reputation, professionalism and knowledge, whilst independent garages stand out for convenience and locality. The two service providers meet on a level for friendliness and helpfulness. The overall perceptions of franchised dealers, independent garages and non-franchised dealers has remained relatively unchanged for the past 6 months.

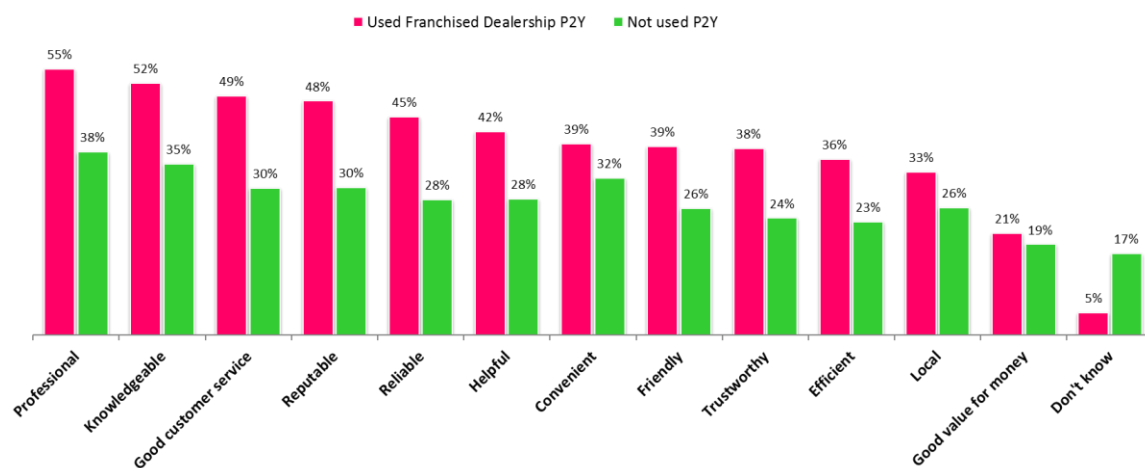
Which of the following words/phrases would you use to describe each of the companies below?

Figure 9



The perceptions of franchised dealers changes dramatically if a consumer has used one in the past two years. The data suggests that, if a consumer has used a dealership, they have a far higher opinion of a franchised dealer across all categories. This indicates that once a consumer has used a franchised dealer they are more likely to be retained by the dealership.

Figure 10

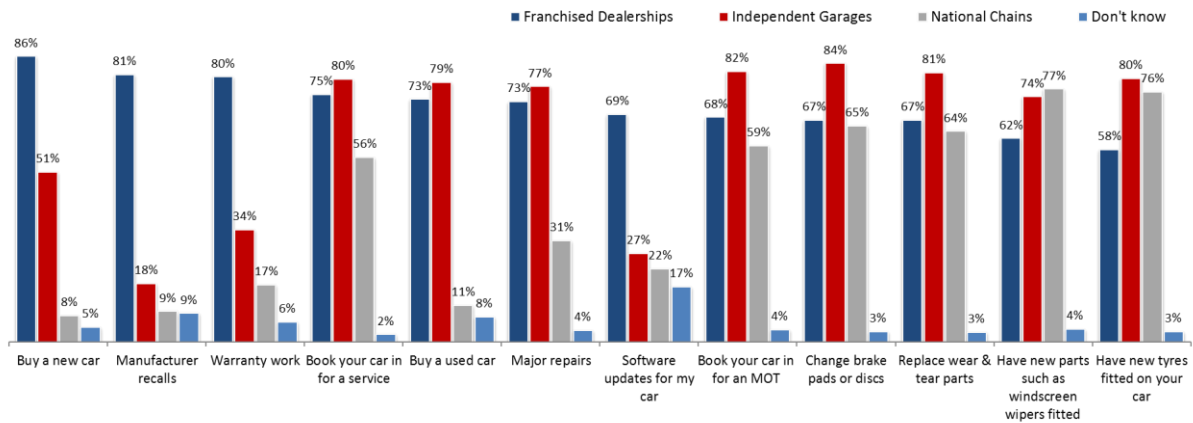


What is the perception of franchised dealers?

Consumers were asked what types of service and maintenance works, they thought could be carried out by a franchised dealer, independent garage and non-franchised national chain. The results in figure 11, show consumers think of going to a franchised dealer to buy a new car, as well as have manufacturer recalls and warranty work implemented. Independent garages are perceived as being good for MOT work, changing brakes and discs, or replacing parts.

Which of the following do you think that you could do at each of the companies below?

Figure 11

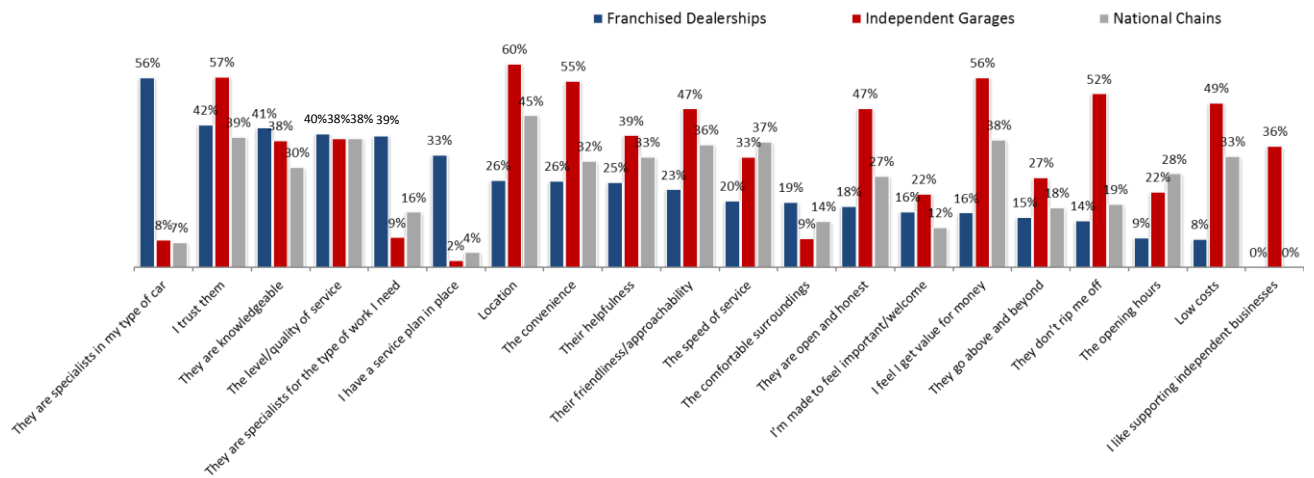


How do consumers choose a dealership?

The Consumer Attitude Survey sought to understand the reasons consumers choose a franchised dealership over other providers and vice versa. The top five reasons consumers use franchised dealerships for aftersales care are as follows: car specialists, trustworthy, knowledgeable, quality of service and work specialists. Independent garages are used by consumers mainly for the following reasons: location, trust and convenience.

Why do you use your main provider of aftersales car care services over other providers available? What are the benefits to you?

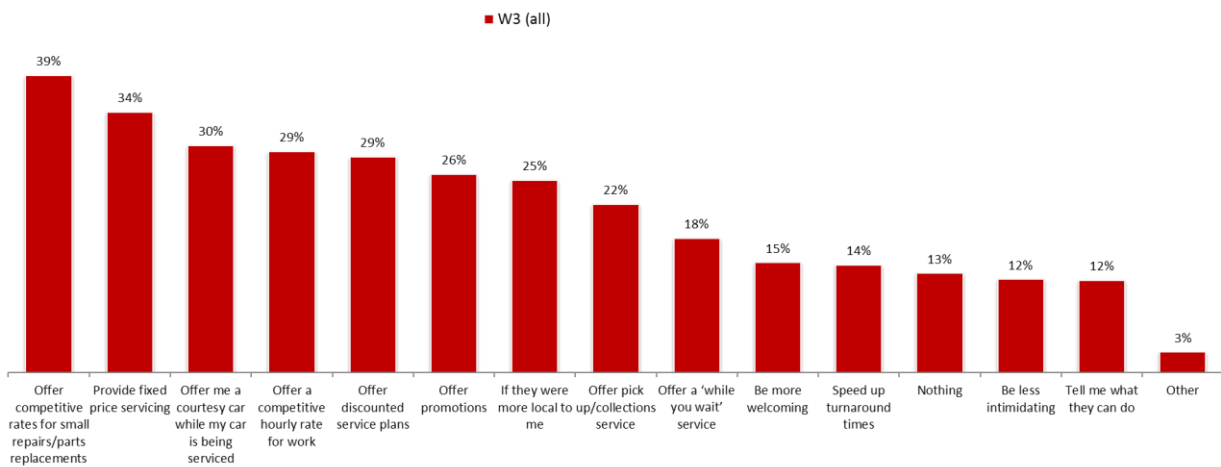
Figure 12



Those consumers who do not currently use franchised dealerships for their aftersales car care were asked what would make them change their habits. Four of the top five reasons people would switch to franchised dealerships are price-related. The other main reason people would consider moving to a franchised dealership is the offer of a courtesy car.

What would convince you to use a franchised dealership for aftersales car care in the future?

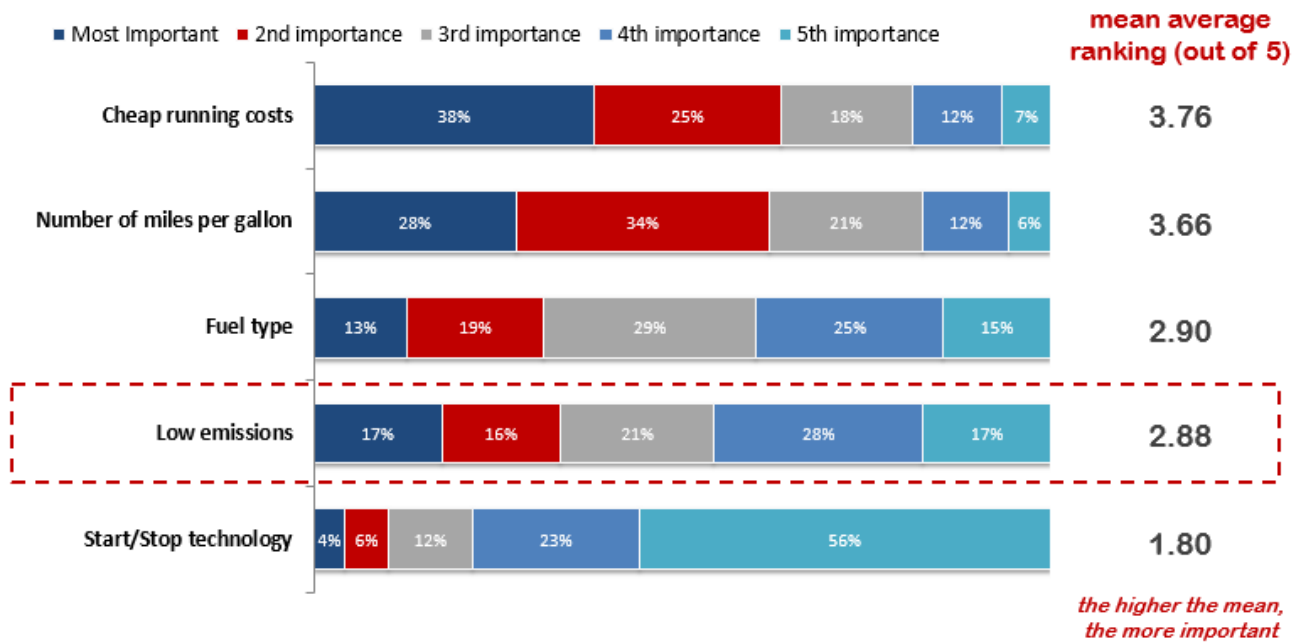
Figure 13



Emissions or cheap running costs?

The survey revealed that ‘cheap running costs’ and ‘number of miles per gallon’ are the most important factors for the majority of consumers. ‘Low emissions’ and ‘Fuel type’ share similar levels of concern.

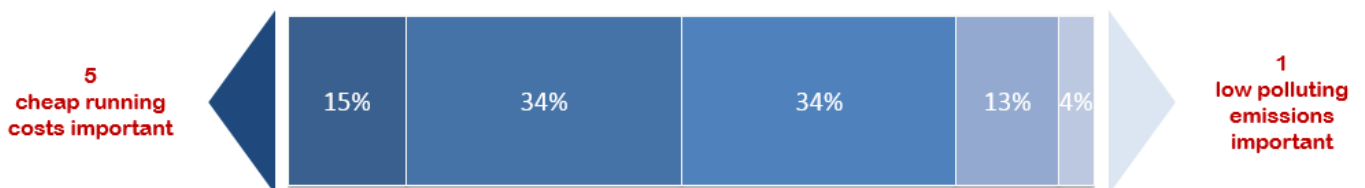
We would now like you to think about the environmental impact of your car and consider which of the options shown below are the most important to you. Please rank the options in order of importance.



As figure 13 shows, ‘cheap running costs’ continue to be more important than ‘low polluting emissions’ for most of those surveyed. Interestingly, older consumers (65+), as well as those with newer cars or those who only use franchised dealerships, are more likely to rate ‘low polluting emissions’ as more important.

Please indicate your answer on a scale of 1 to 5, where 1 is low polluting emissions are most important and 5 is cheap running costs are most important.

Figure 13

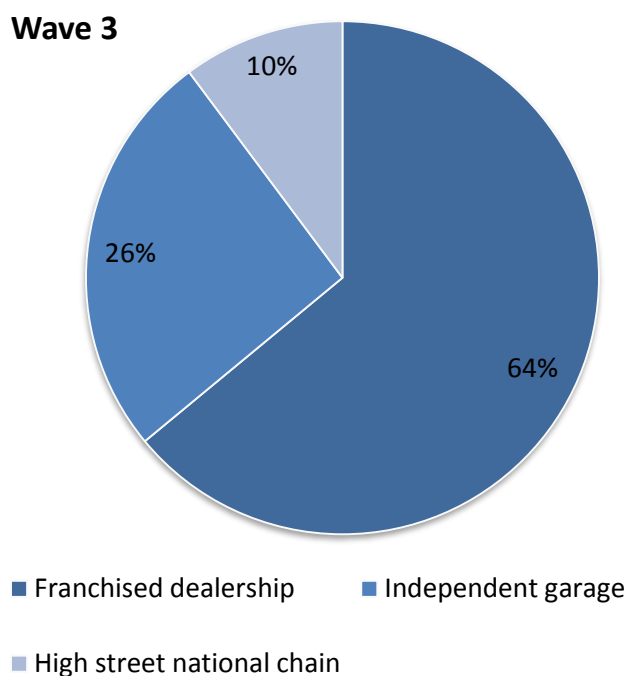


Safety

Respondents clearly indicated that franchised dealerships remain the safest option for vehicle servicing. Interestingly, also a third of those who have not visited a franchised dealership in the past two years, still perceive them as the safest.

From a safety viewpoint, which of the following companies (franchised dealership, independent garage, high street national chain) do you think it would be safest to get your car serviced by? Please select ONE.

Figure 14



Conclusion

The third wave of the consumer attitude survey revealed a level of consistency in consumer opinions of aftersales over the past twelve months. The target of this survey was to explore new themes as well as to continue to analyse topics from the previous survey.

The survey showed that over half of consumers used the internet to research for aftersales and demonstrated that more needs to be done across the UK to raise awareness of internet bookings.

The questioning around consumer experience at the dealership revealed some interesting data with 46% of respondents stating that customer lounges are very important or important to them. The data also showed that overall levels of aftersales satisfaction in the UK are high.

Clear trends were revealed in what convenience means for the consumer. The results of the survey showed that appointments available at a time which suits the consumer is the best description of convenience.

Perceptions remains a key topic for the industry and our findings revealed that franchised dealers continue to stand out for reputation, professionalism and knowledge.

Finally, the survey explored how consumers choose their aftersales provider. The results revealed the top five reasons people select franchised dealerships: car specialists, trustworthy, knowledgeable, high quality of service and specialists at specific types of work.

Overall, the three waves of the Consumer Attitude Survey have started to reveal trends in the industry over the past twelve months. The data is gathered with the specific aim of helping dealers understand the consumer market in the UK and helping them target specific areas to maximise their ability to better service the customer.



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