NFDA
NATIONAL FRANCHISED DEALERS ASSOCIATION

Consumer Attitude Survey

Autumn 2018

Public Knowledge
Delivering Quality Insights

NFDA
NATIONAL FRANCHISED DEALERS ASSOCIATION

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Introduction

The National Franchised Dealers Association (NFDA) is pleased to present the latest results of the Consumer Attitude Survey. The survey is commissioned every six months to research market opinion and explore perceptions of franchised retailers, independent garages and non-franchised national chains amongst car owners.

The autumn 2018 is the sixth issue of the survey. The study, executed by Public Knowledge, polls 1,000 consumers across the UK in a 15-minute online survey.

The survey is undertaken with five major objectives:

- Explore current market perceptions of franchised dealers 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

In this report we initially explore consumer perceptions of the different aftersales service providers across all respondents of the survey. This includes consumer awareness of the different services offered, the main trends in the use of the internet, as well as the reasons why motorists choose one provider over another.

The results have been examined to understand the profile of those who regularly use franchised dealers and view them as their main provider of aftersales. Finally, the report summarises consumer buying intentions focussing on the type of fuel and age of their next car as well as what they consider as barriers to the purchase of an electric vehicle.

The research continues to reveal key findings which we hope will help franchised retailers understand and, where necessary, improve their performance in the aftersales sector.

Sue Robinson
Director, National Franchised Dealers Association

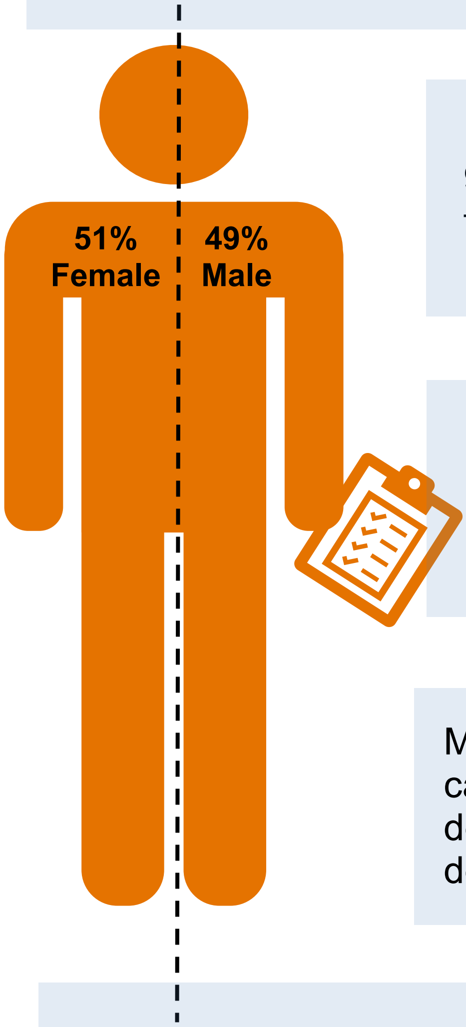
Sue Robinson

Respondent profile

Participants all own a car up to seven years old. For aftersales car care, a third of the sample use franchised dealers, a third use independent dealers or high street chains, and the remaining third use a mixture of franchised and independent dealers / high street chains. The demographics are nationally representative of UK adults across gender, age, household socio-economic grade, and region.

87% live in a town, large town, or city

Almost 7 in 10 use a petrol car as their main vehicle



9 in 10 use their car for leisure, visiting family or friends, and shopping

72% bought their car from a franchised dealership; 87% of all purchases were brand new or not older than three years (94% among those bought from franchised dealers)

Males, those aged 55+, those owning newer cars, and those purchasing from a franchised dealership are more likely to use franchised dealerships for aftersales care

Those who own older cars, and those who purchased their car from an independent dealer, are more likely to use independent garages for aftersales care

General perceptions

Franchised dealers continue to be seen by a high proportion of consumers as professional, knowledgeable and able to provide good customer service. Agreement with most of the positive word associations has increased compared to six months ago. In particular, 'professional' grew by three percentage points and 'good customer service' by four. As figure 2 shows, perceptions improve significantly in most instances when a respondent has used a franchised dealer in the past two years.

Which of the following words/phrases would you use to describe franchised dealerships, independent garages and high street national chains?

Figure 1

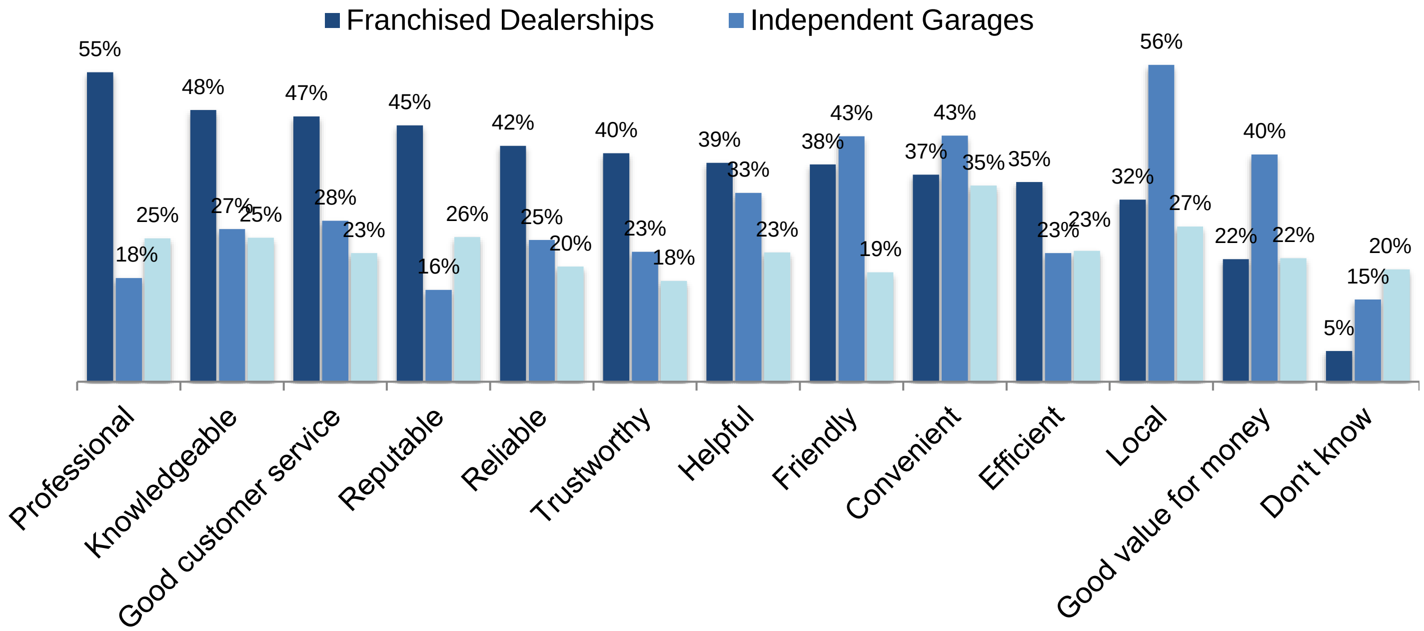
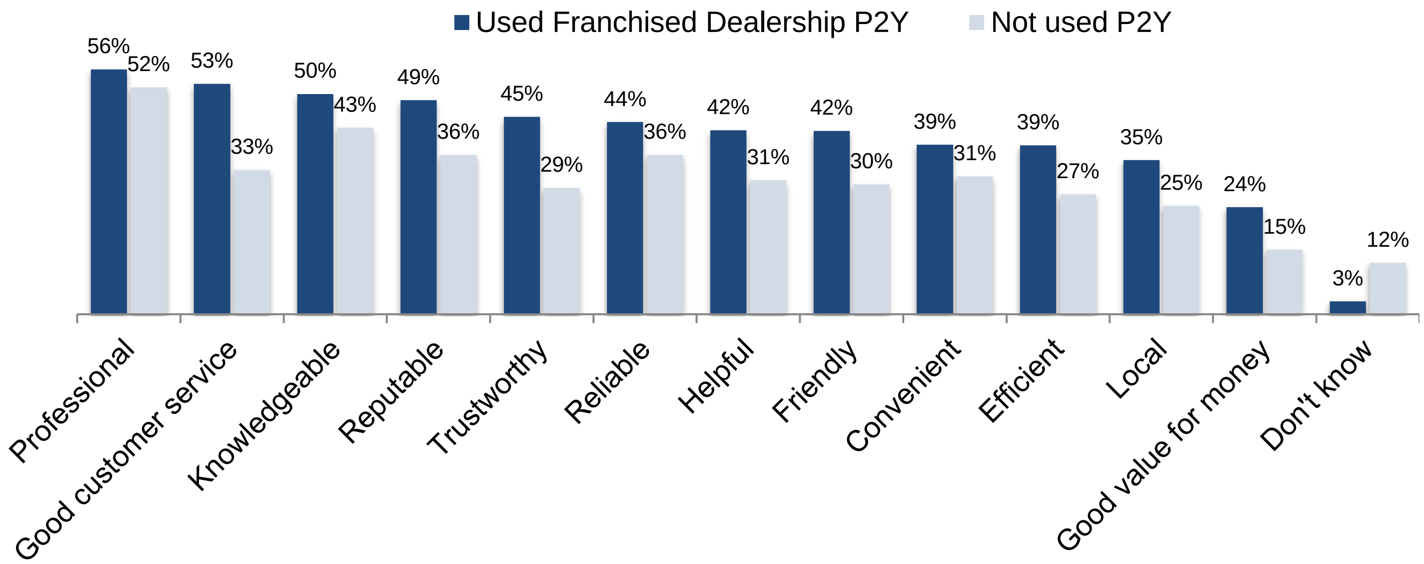


Figure 2 (P2Y = past two years)

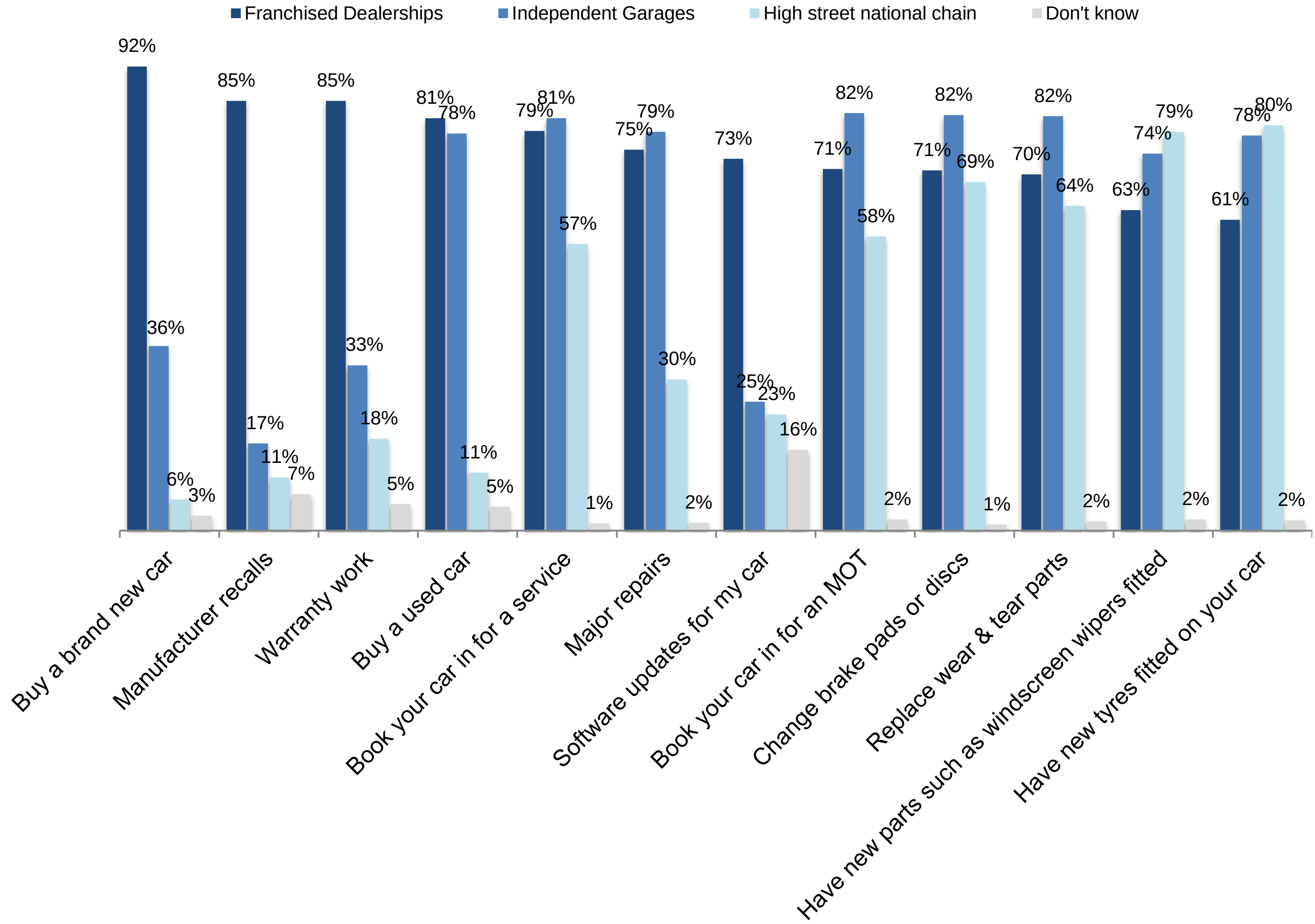


Awareness of offering

Franchised dealerships maintain a strong position above any other provider for buying a new car (92%), manufacturer recalls (85%), warranty work (85%), and software updates (73%). They compete closely with independents for used car sales, booking in a car for a service, and major repairs. Consumers have lower awareness levels of franchised dealers offering low value work such as tyres and windscreen wiper fittings.

Which of the following do you think that you could do at franchised dealerships, independent garages and high street national chains?

Figure 3



Safety

Franchised dealers continue to stand out in terms of safety as 64% of respondents indicated them as the safest option to get a car serviced. According to our findings, this is due to their specialist expertise (61%) as well as technical equipment and systems for specific types of cars (75%). Usage of franchised dealers boosts drastically the perception that they are the safest option.

From a safety viewpoint, which of the following companies do you think it would be safest to get your car serviced by?

Figure 4

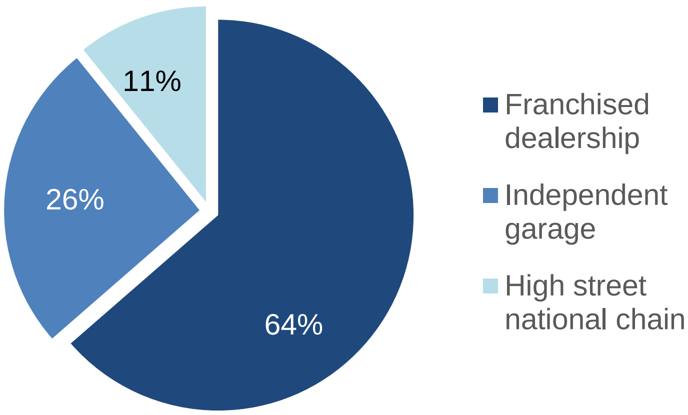
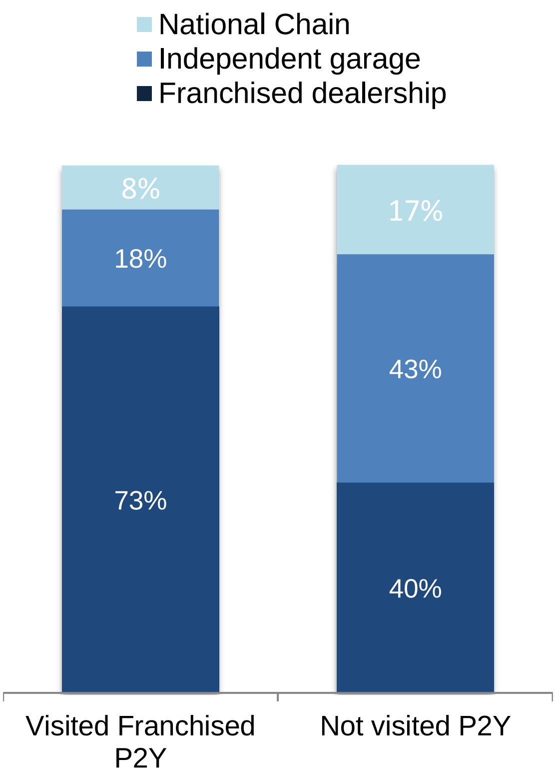


Figure 5

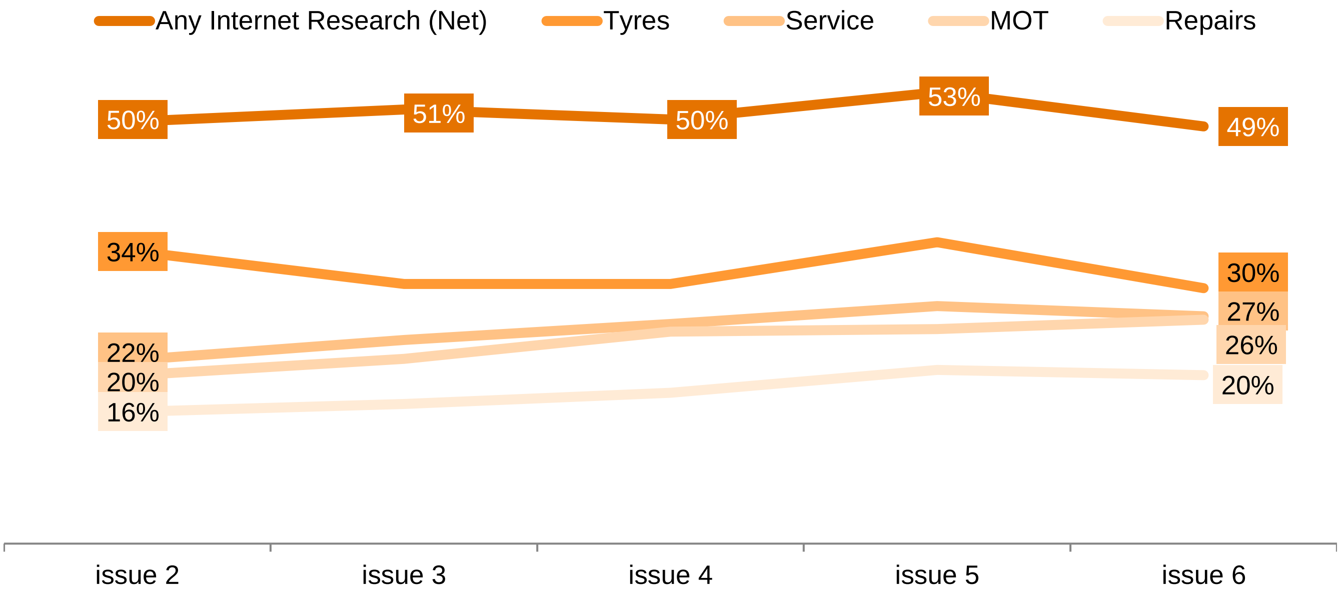


Use of the internet

Just under half of respondents (49%) claim they have used the internet to research any maintenance in the past. This represents a small decline from the previous surveys. As figure 7 shows, cost continues to be the main factor driving online researches. Location is the second most important element.

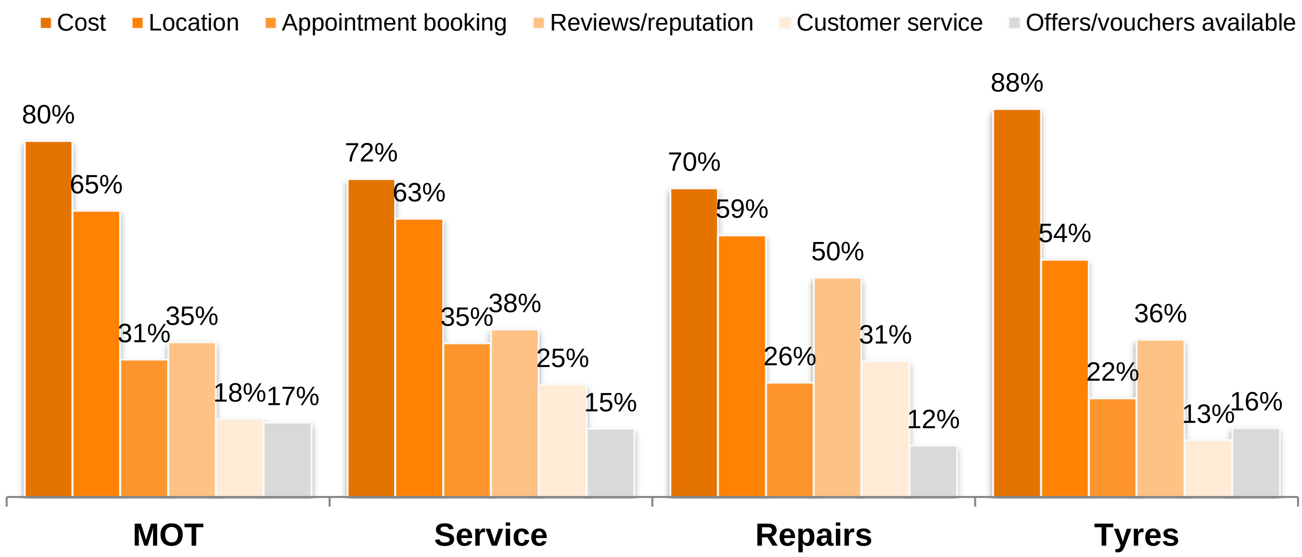
In the past, have you used the internet to research any of the following for your car?

Figure 6



You said you have used the internet to research […], which of the following describes what you researched?

Figure 7

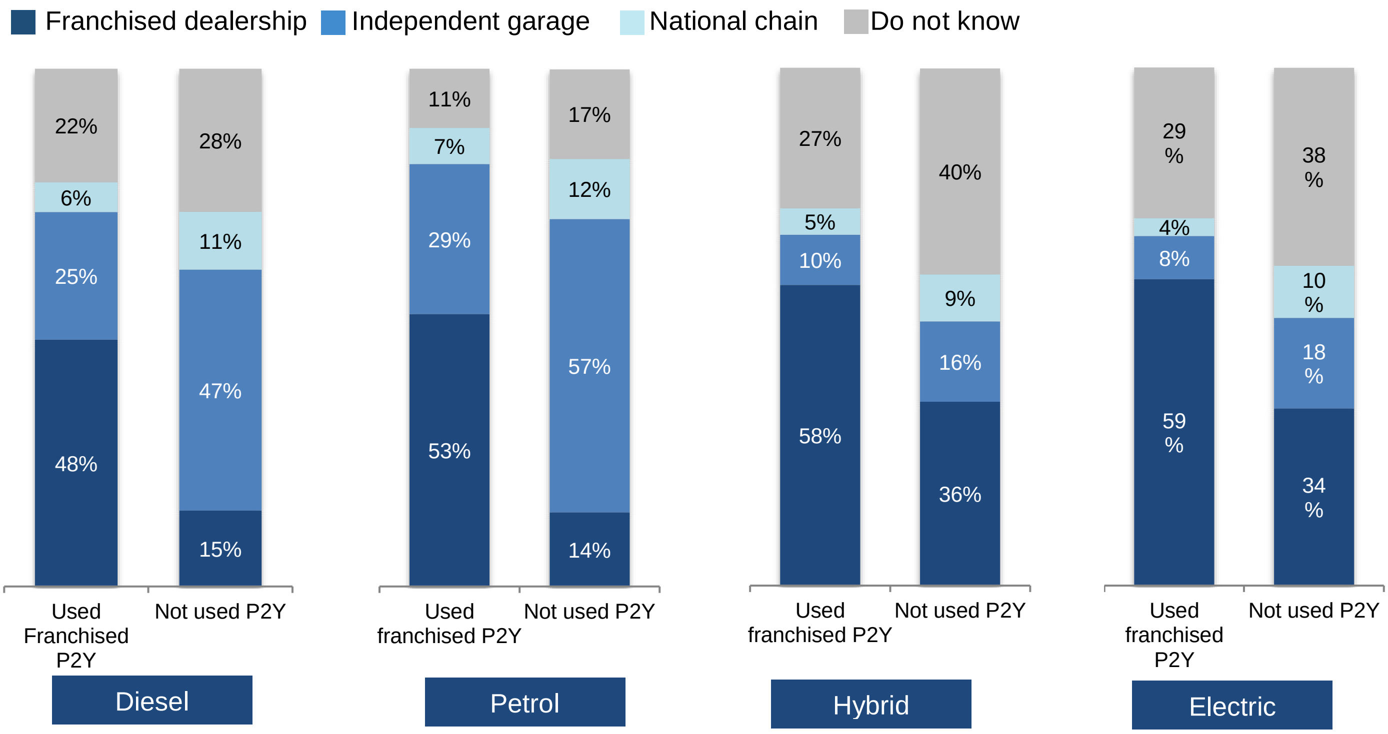


Trust

Levels of trust in franchised dealers continue to be reasonably high for consumers that have used a franchised dealer for aftersales in the past two years. With regards to servicing electric and hybrid cars, franchised dealers continue to be seen as the most trustworthy aftersales service providers.

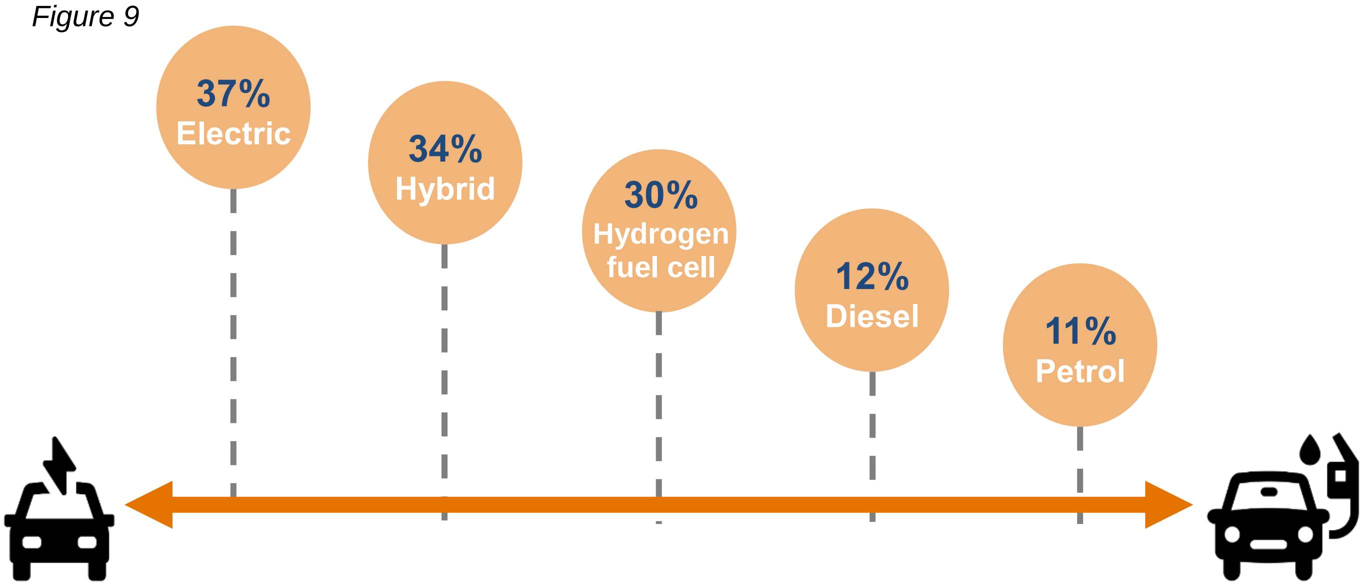
For the vehicle engines shown below, who would you trust the most to carry out a service?

Figure 8



A significant percentage of those who do not use franchised dealerships for servicing would nevertheless trust them the most for servicing new engine types.

Figure 9

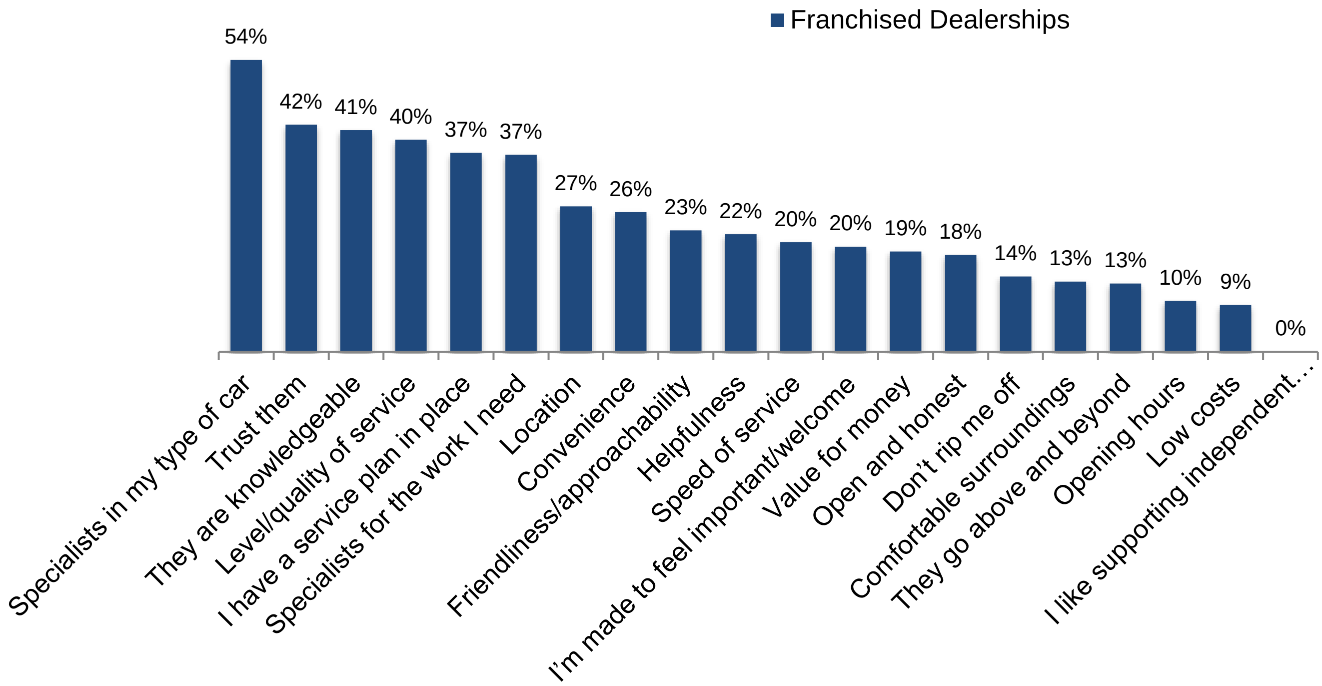


Reasons for choosing franchised dealers

The main reasons for choosing franchised dealers have seen small changes from the previous issues of the survey. Overall, specialism, trustworthiness and knowledge continue to be the strongest features associated with franchised dealers' offering. The quality of the service provided is the fourth key element.

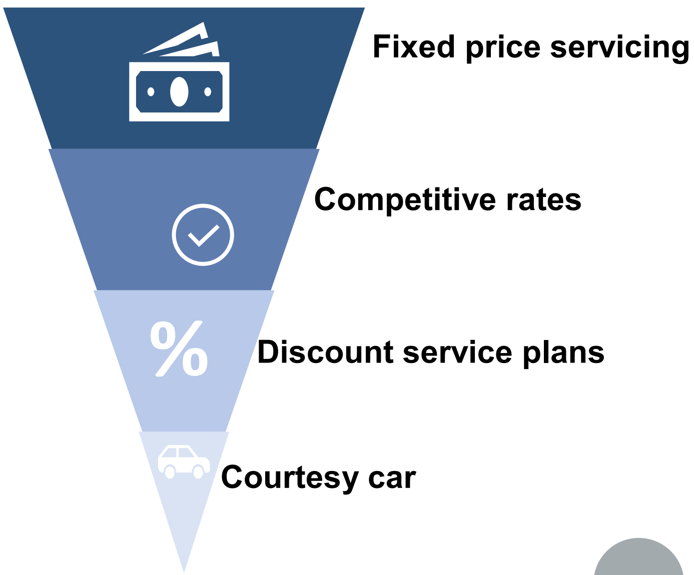
Why do you use franchised dealers over other service providers available? What are the benefits to you?

Figure 10



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

Figure 11



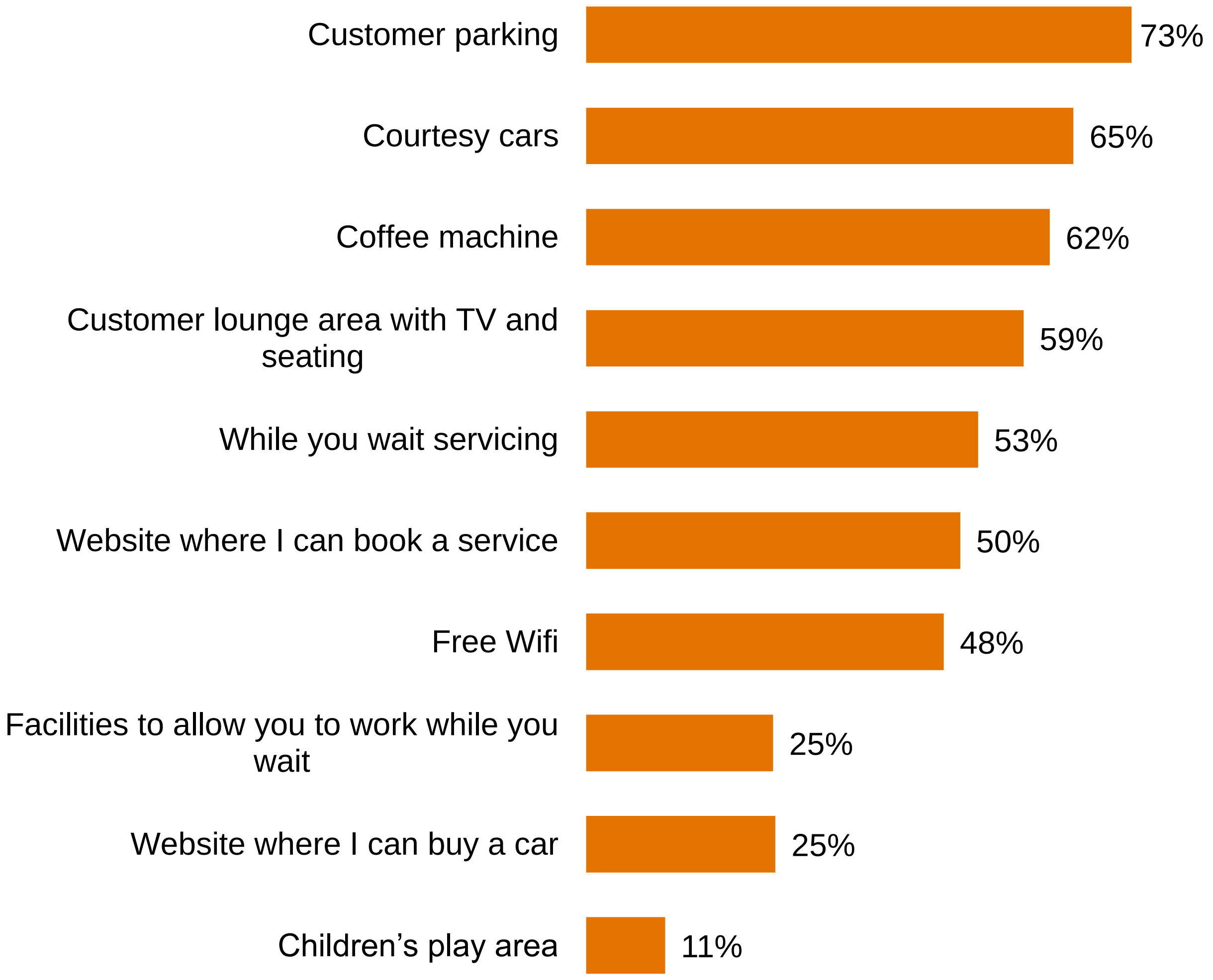
Across those that do not regularly use franchised dealers for aftersales, the main factors that would convince consumers to change their aftersales care provider are: fixed price servicing, competitive rates for small repairs and parts, discounted service plans and the availability of courtesy cars. Promotions, was the fifth most selected option.

Facilities expected at a dealership

Customer parking, courtesy cars and a coffee machine remain the most expected facilities at a franchised dealership. The expectations of those who have used a franchised dealership in the past two years are higher across most of the categories, which suggests that those who regularly use franchised dealers are more familiar with the comforts available at a franchised dealership.

What facilities do you expect a franchised dealer to have?

Figure 12



The franchised dealer customer

The figures below aim to give an insight into the behaviour and levels of satisfaction of the respondents who stated that they regularly use franchised dealers for aftersales care.
A very high percentage of those who view franchised dealers as their primary aftersales choice were satisfied with their overall experience (93%).

Out of those who regularly use franchised dealers for aftersales, 75% have a manufacturer warranty and 45% have a service plan in place. 69% bought their car brand new, while 80% drive a car with 30k or less miles on the clock.

Among this sample, the majority of loyal franchised dealer users (57%) are aged 55 or older, while 18% are aged between 18 and 34, and 25% are aged between 35 and 54.

Figure 13

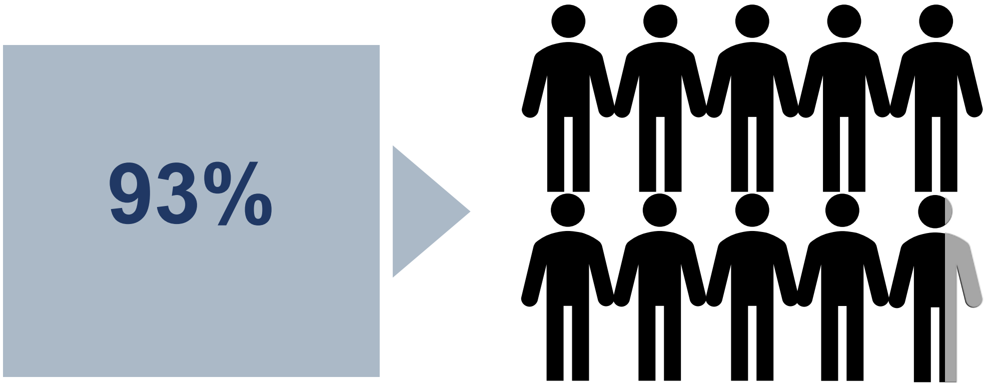


Figure 14

72% of respondents used a franchised dealership to buy their car

44% of those who bought a car at a franchised dealership continued to use the dealer for aftersales services

89% of those who regularly use franchised dealers for aftersales believe they are the safest option

Next car

Of those who expect to buy another car, 40% expect their next car to be brand new, while only 9% believe their next car will be older than three years old. Those who have used a franchised dealership for some form of servicing in the past two years are more likely to buy a new car next.

When considering the next car you will buy, what age is it likely to be?

Figure 15

4 in 10 expect the next car they buy to be brand new

51% expect the next car they buy to be 1-3 years old

Men are significantly more likely to buy a new car next (48%) than women (29%)

Those aged 55+ are more likely to buy a new car next (48%) than those aged under 55 (32%)

Those who have used a franchised dealership for some form of service in the past 2 years are far more likely to buy their next car from a franchised dealer showroom (68% vs 43%). As figure 16 shows, a particularly high percentage of those who bought their current car from a franchised dealership plan to do the same with their next car (88%). On the other hand, only 42% who bought their current car from an independent garage plan to buy their next car from an independent garage.

Figure 16

71% plan to buy their next car from a franchised dealership showroom or website

88% who bought their current car from a franchised dealership plan to buy their next car from a franchised dealership showroom or website

Those planning to buy from a franchised dealer showroom are significantly more likely to plan to buy a new car next

What fuel?

The majority of respondents believe their next car's fuel type would be petrol (40%). This is followed by a third of consumers who say they do not know what fuel their next car will be. Those who have used a franchised dealership for some form of service in the past two years are more likely to plan to buy a diesel or pure electric car next. There is little difference in preference between those living in urban locations and those living in rural locations. Men are more likely to be planning to buy a hybrid car next (15%) than women (10%).

Will the next car you buy be…?

Figure 17

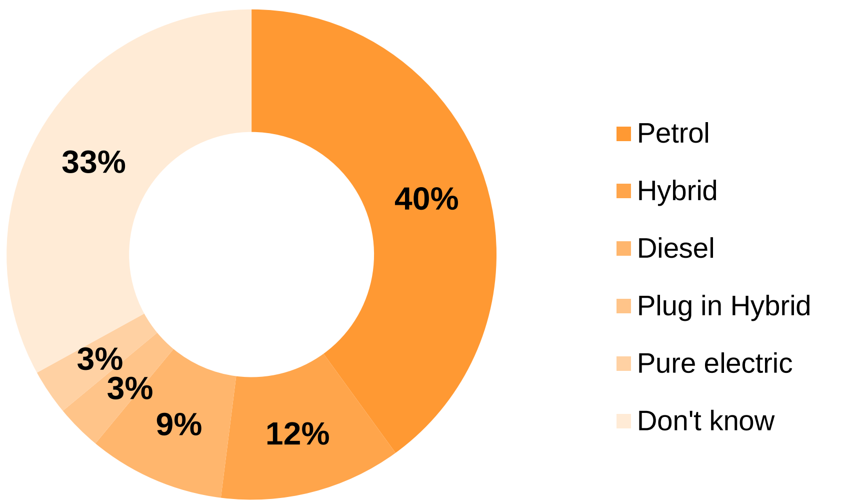
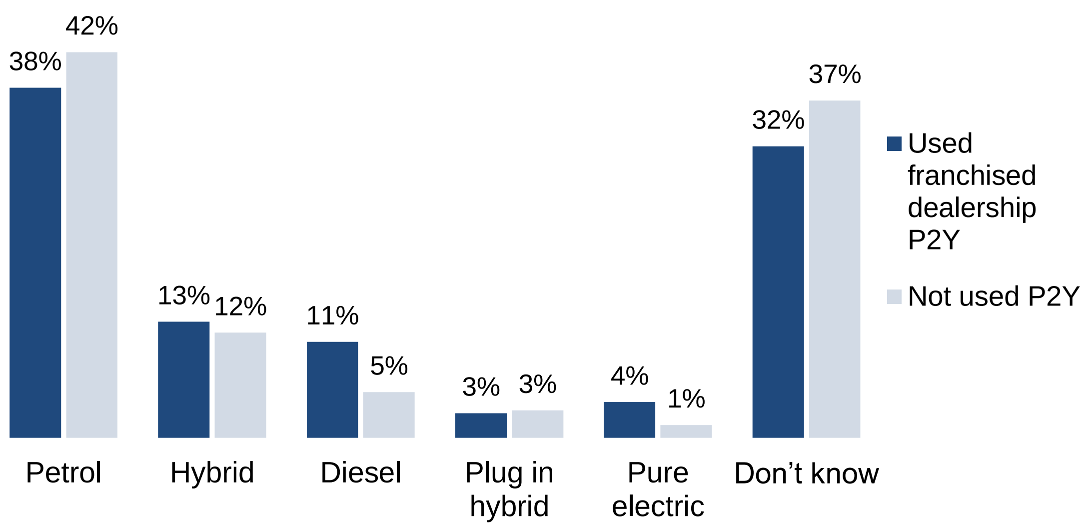


Figure 18



Barriers to electric cars

Cost, access to charging and battery range remain the main barriers to the purchase of electric cars. A small percentage, 11%, see no barriers to the purchase of an electric car, which equals to a minor increase of 3% compared to six months ago.

Are there any barriers to you buying an electric car?

Figure 19

56%

52%

47%

Cost

Cost is the main barrier, with 56% of consumers requiring prices of electric cars to decrease before they consider buying one of them

Charging access

Those who regularly use franchised dealerships for aftersales care are marginally more likely to consider access to charging an issue than those who do not

Range

Men are significantly more likely to see range as an issue. Also, 18 to 34s consider range as less of an issue than 55+

Those that consider cost an issue

Almost six in 10 would require prices of electric vehicles to drop below prices of similar diesel or petrol cars. Of those that indicated cost is a barrier to buying electric, 54% are not aware that the maintenance and fuel costs for electric are lower than petrol and diesel.

Those that consider range an issue

Seven in 10 would want to be able to drive over 200 miles before recharging. Of those who consider range an issue, a higher proportion of women than men are happy to be able to drive just 150 miles before recharging. Those who agree with the clean air proposal are more satisfied with a lower mileage range than those who disagree.

Those that consider charging an issue

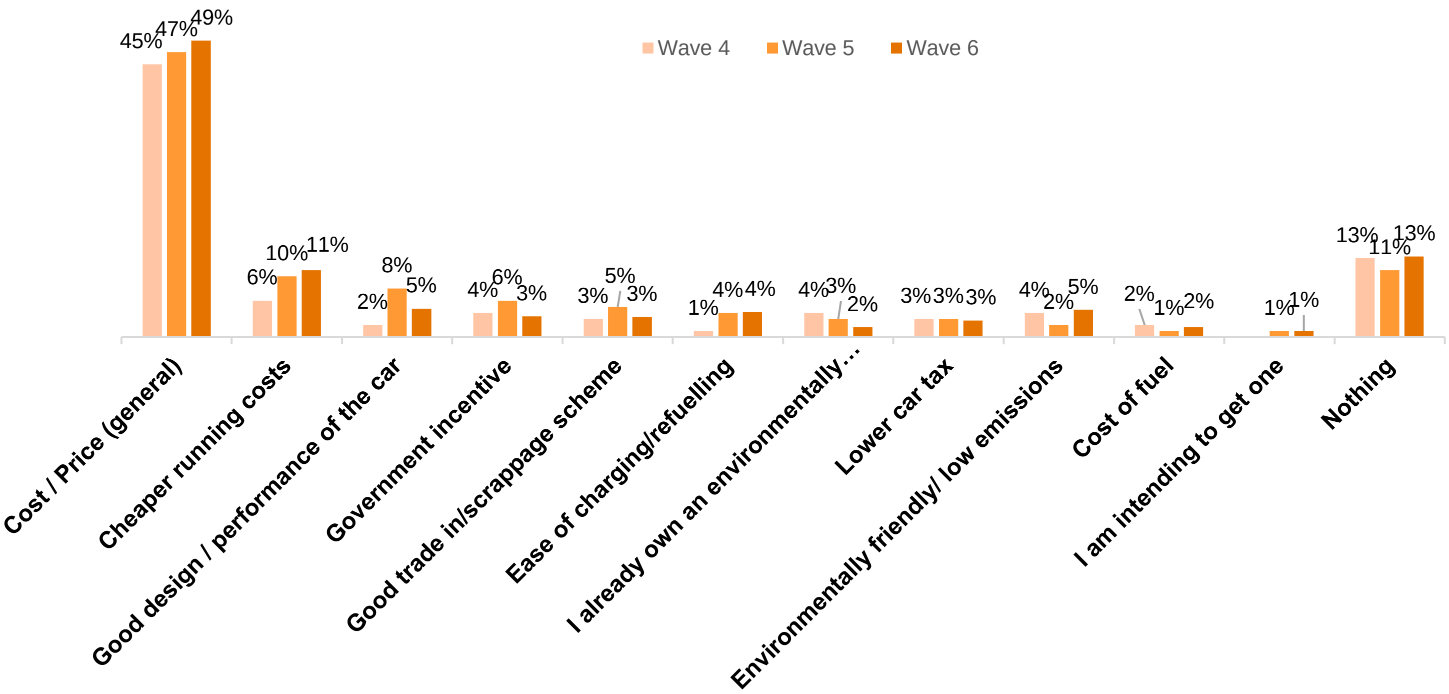
Amongst those who consider charging an issue, 80% are worried about lack of charging points in public places, 55% consider lack of off-street parking an issue, as there would be no place to install a charging point, and 41% state that lack of charging at work is an issue.

Barriers to electric cars

Overall, reduced cost remains the driving factor for encouraging consumers to replace their current car. Those who have used a franchised dealership in the past two years, are less likely to consider cost an issue (47%) than those who have not used a franchised dealership in the last two years (54%).

What would encourage you to replace your current car with a more environmentally friendly car?

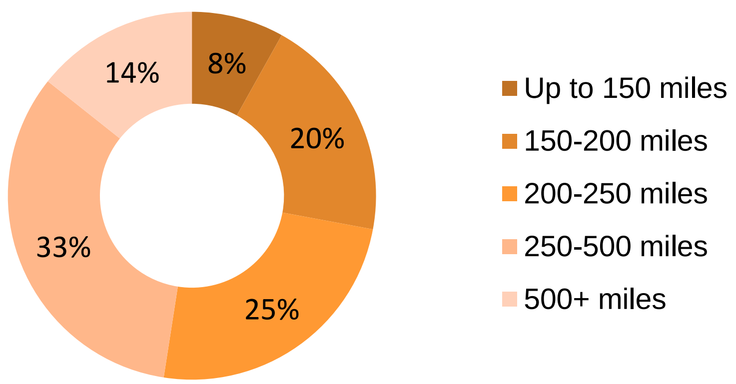
Figure 20



Nearly half of those who consider range an issue (47%) would like to be able to drive over 250 miles before recharging, which is a slight decrease of 3% compared with six months ago.

You indicated range is an issue. How far would you want to be able to drive before recharging?

Figure 21



Conclusion

The sixth issue of the NFDA Consumer Attitude Survey has confirmed trends and revealed a number of new insights into the behaviour and perceptions of motorists in the aftersales sector.

The vast majority of respondents continue to value franchised dealers' professionalism, knowledge and their overall customer service. As in the past issues, perceptions of franchised dealers improve significantly when a customer has used a dealership for aftersales in the past two years, which indicates encouraging signs about the quality of the service dealers provide.

Safety and trust remain two key elements of the franchised dealers' offering. Nearly two thirds of consumers consider franchised dealers as the safest option in aftersales, while with regard to their trustworthiness, levels of consumers' trust are particularly high across the newest types of engines.

Regarding the use of the internet, slightly less than half of the respondents say that they have researched a type of maintenance service in the past. Surprisingly, this is a slight decrease from the previous issues of the survey.

We have analysed the profile of those who view franchised dealers as their primary aftersales choice and found out that the vast majority of them (93%) were satisfied with their overall experience. More than half of them bought their car brand new while, most of the remainder, owned a vehicle which was not older than three years old.

For the second time since the launch of the survey, we have analysed consumers' buying intentions and examined the main obstacles preventing motorists from purchasing low emission cars.

In terms of fuel types, a large percentage of respondents (40%) believe their next car will be a petrol, while a concerning 33% are undecided. Overall, only 3% expect to buy a plug-in hybrid next, and only 3% believe their next car will be electric.

Cost, access to charging and battery range are the main barriers to the uptake of electric cars in consumers' minds. Nearly half of respondents (49%) see a decrease in cost as the main factor which would encourage them to replace their current car with a more environmentally friendly one.

This data is gathered and analysed to give franchised dealers a better understanding of consumers' perceptions in the aftersales sector. This aims to help them continue to improve their aftersales offering to provide motorists with the best possible service.

NFDA looks forward to presenting our next issue of the Consumer Attitude Survey in spring 2019.

The National Franchised Dealers Association (NFDA) represents franchised car and commercial vehicle retailers in the UK

For more information, please visit: www.nfda-uk.co.uk
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