



Dealer Attitude Survey

Summer 2017



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Introduction

We are pleased to present the findings of the NFDA Dealer Attitude Survey Summer 2017. The survey was conducted in July 2017 and asked the views of franchised dealers about their on-going relationship with their respective manufacturers.

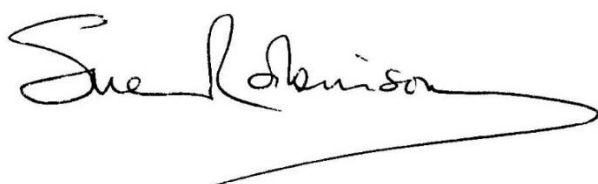
The NFDA, which represents franchised car dealers in the UK, carries out the Dealer Attitude Survey on a twice-yearly basis. The results show the general health of the dealer/manufacturer relationship, indicate potential difficulties and highlight where there are strong and constructive working relationships. The report allows us to see where these have changed and developed.

As with previous surveys, respondents were asked a series of questions covering a range of business aspects and their impact on the relationship with manufacturers. Responses are scored from 1 (extremely dissatisfied) to 10 (extremely satisfied). The NFDA surveyed 29 franchised networks and received 1,754 responses from dealers, equating to a 42% response rate.

This report is a summary of the results of the Dealer Attitude Survey Summer 2017. The charts and analysis on the following pages give an overview of findings and look at key aspects of the dealer/manufacturer relationship. A full version of the report is available on request.

Sue Robinson

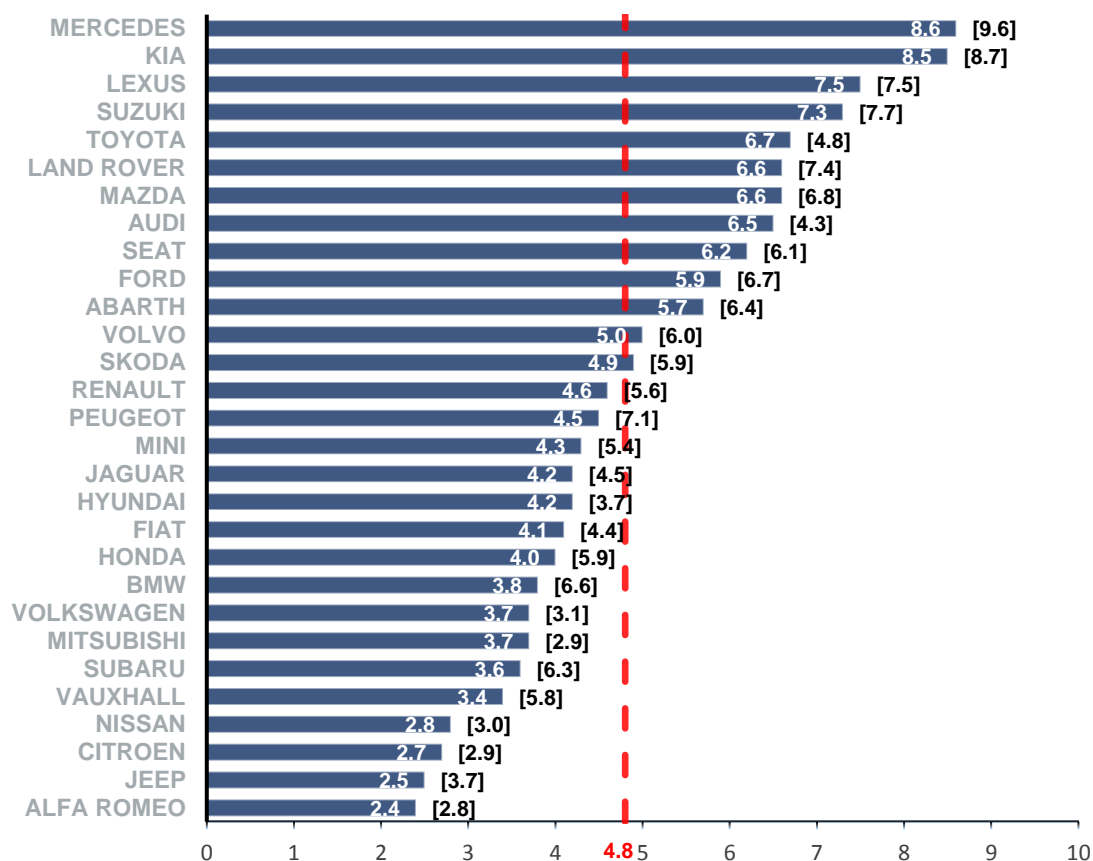
Director, National Franchised Dealers Association



The survey was analysed by the National Franchised Dealers Association. For more information, contact: **Louise Woods, 01788 538332** or louisewoods@rmif.co.uk

Profit return

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



Figures in white = Summer 2017

Figures in black = Winter 2017

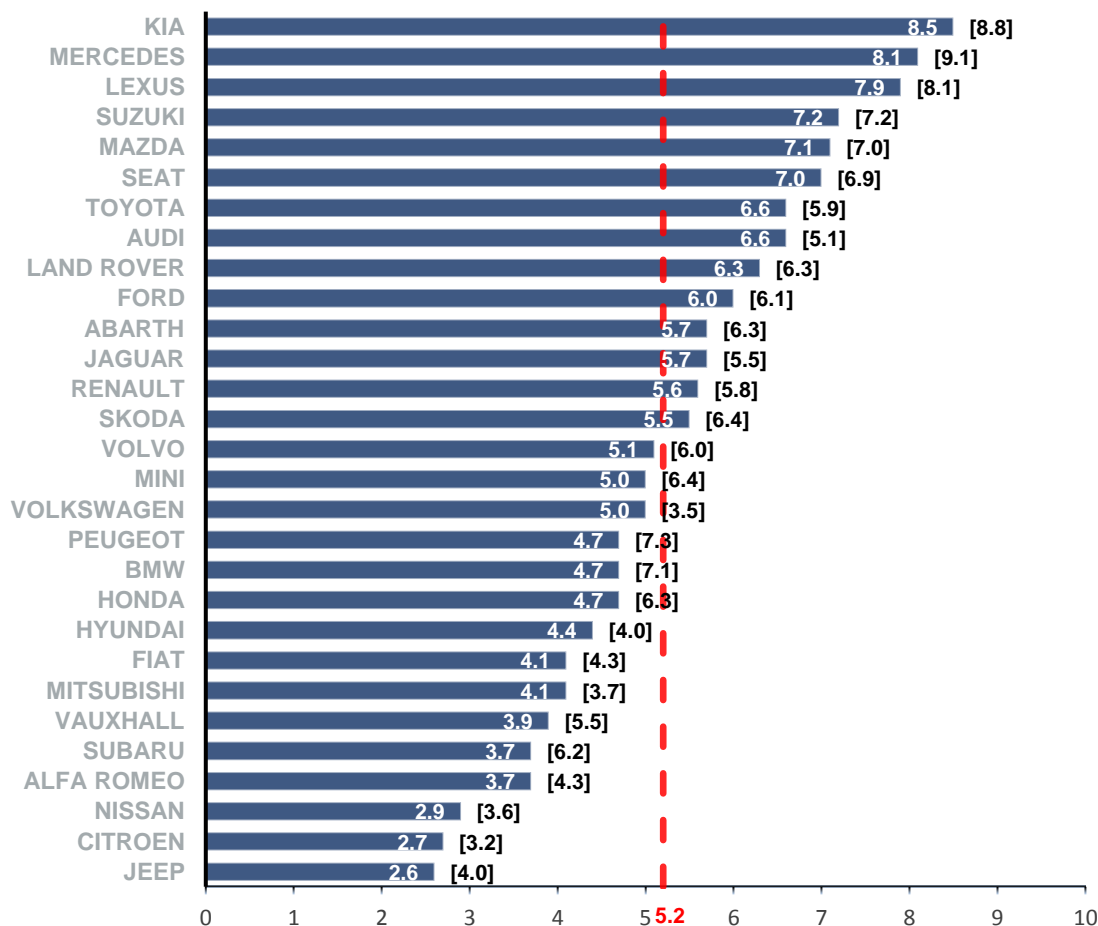
Top performer:	Mercedes	8.6 points
Bottom performer:	Alfa Romeo	2.4 points
Most improved:	Audi	+2.2 points
Biggest decline:	BMW	-2.8 points
Average score:		4.8 points

Summary:

With 11 responses out of 29 better than neutral (5.0), the average response decreased by 0.6 points from 5.4 to 4.8 points compared to the previous survey. Only six dealers saw their level of satisfaction increase, while 22 saw a decrease and one remained the same.

Profit return

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



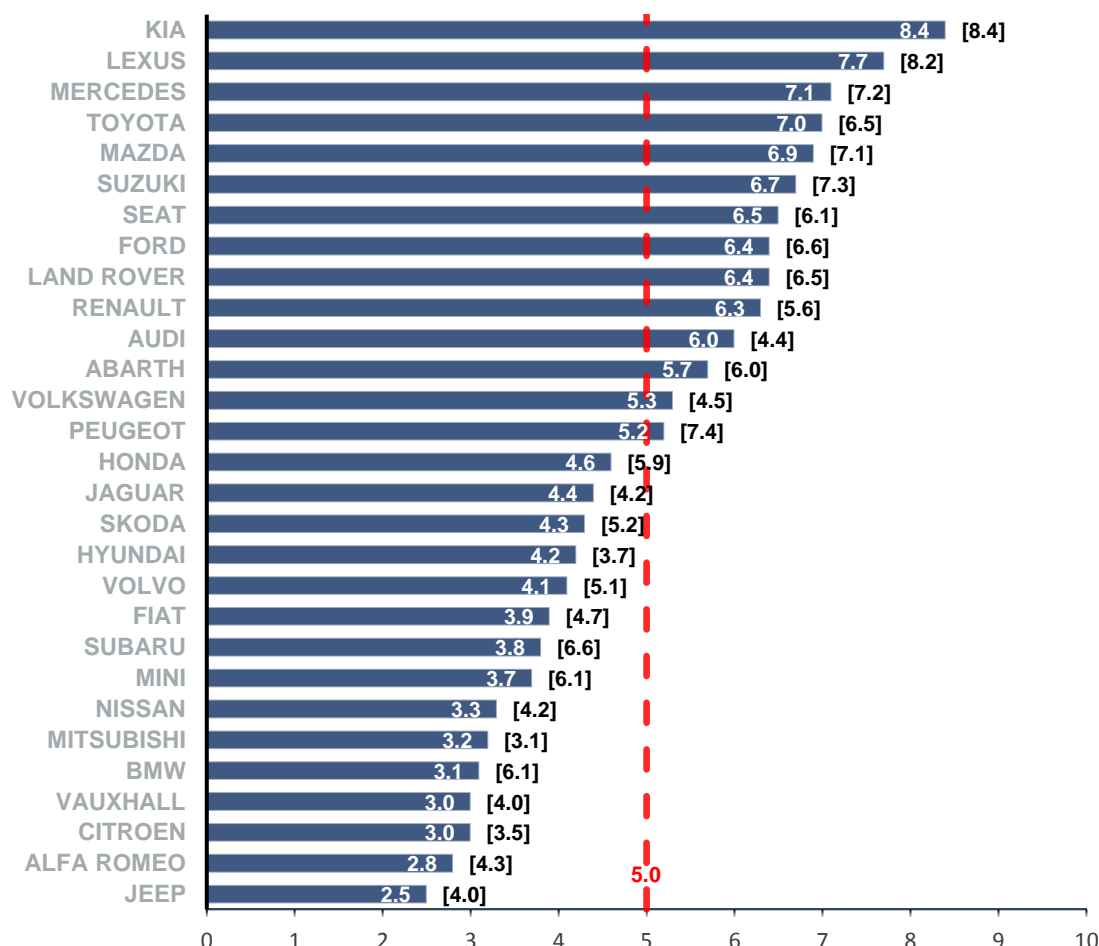
Top performer:	Kia	8.5 points
Bottom performer:	Jeep	2.6 points
Most improved:	Audi and Volkswagen	+1.5 points
Biggest decline:	Peugeot	-2.6 points
Average score:		5.2 points

Summary:

Dealers showed more satisfaction with their predicted future profit than their current one with 15 out of 29 responses above the neutral score of 5.0. The average score was 5.2, 0.4 points lower than the last survey. Of the dealer networks surveyed, 19 saw their levels of satisfaction decrease, eight saw an increase and two did not change.

Profit return

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



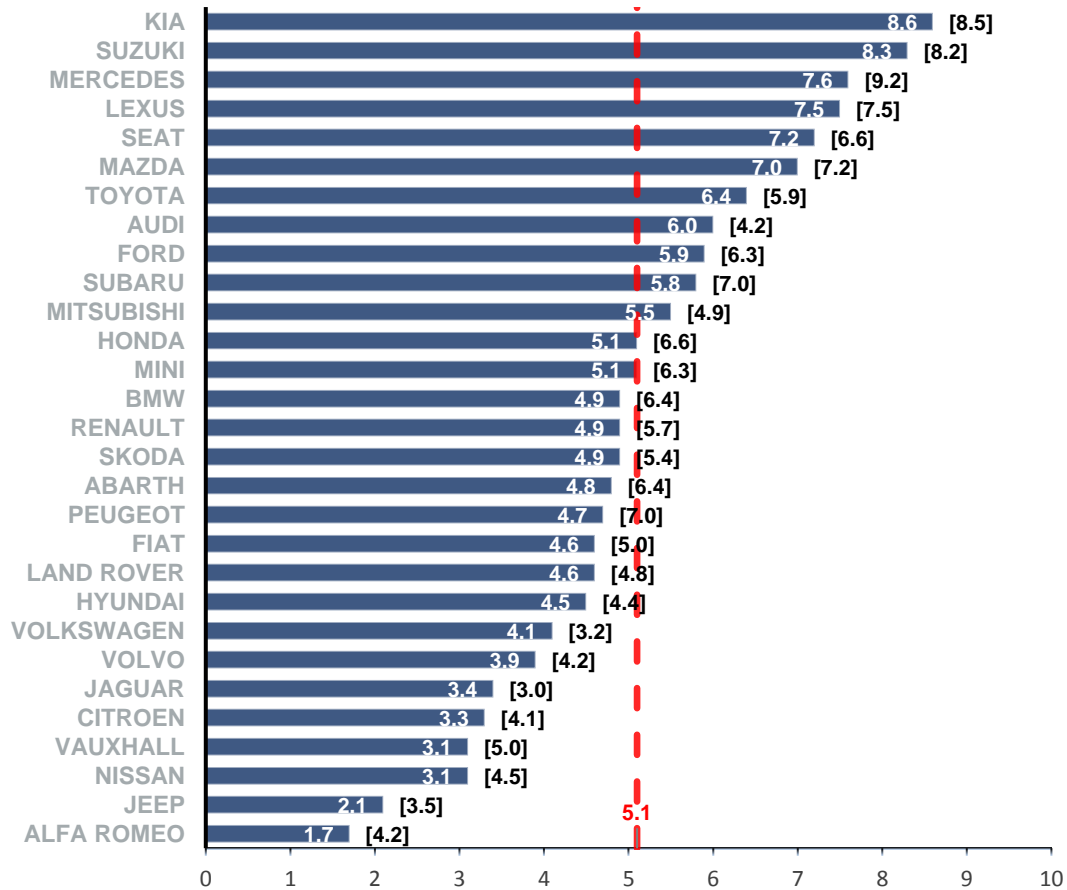
Top performer:	Kia	8.4 points
Bottom performer:	Jeep	2.5 points
Most improved:	Audi	+1.6 points
Biggest decline:	BMW	-3.0 points
Average score:		5.0 points

Summary:

With regard to satisfaction with total margin on new vehicles, 20 dealer networks saw their score decline, eight saw an increase and one remained unchanged. On a positive note, nearly half of the dealer networks (14) gave a score above the neutral point of 5.0. The average dealer rating is 5.5, 0.5 lower than the Winter 2017 survey.

Return on investment

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



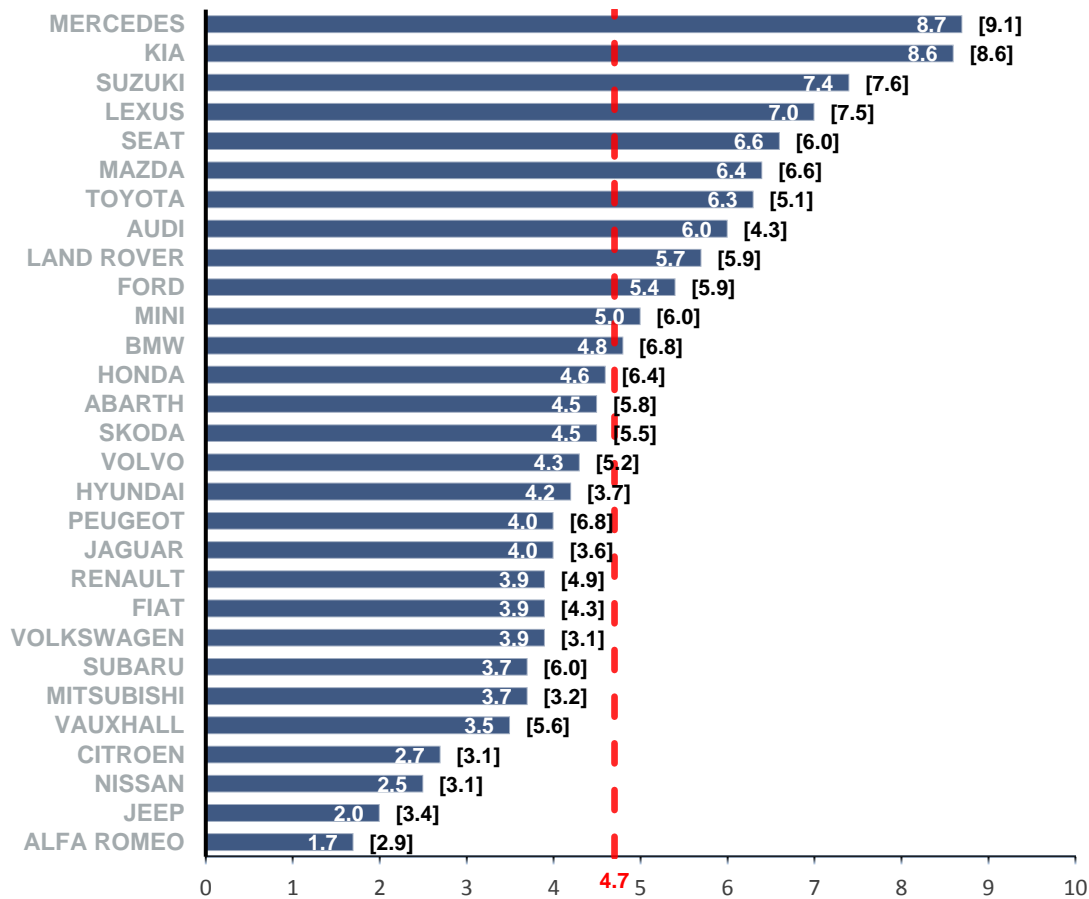
Top performer:	Kia	8.6 points
Bottom performer:	Alfa Romeo	1.7 points
Most improved:	Audi	+1.8 points
Biggest decline:	Alfa Romeo	-2.5 points
Average score:		5.1 points

Summary:

Of the dealer networks surveyed, 19 saw a decrease compared with the last survey, nine saw an increase and one remained the same. Slightly less than half of the dealers, 13 networks, gave a response better than 5.0. The average score across all dealers was 5.1 which is 0.4 down from the last survey.

Return on investment

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



Top performer: Mercedes 8.7 points

Bottom performer: Alfa Romeo 1.7 points

Most improved: Audi +1.7 points

Biggest decline: Peugeot -2.8 points

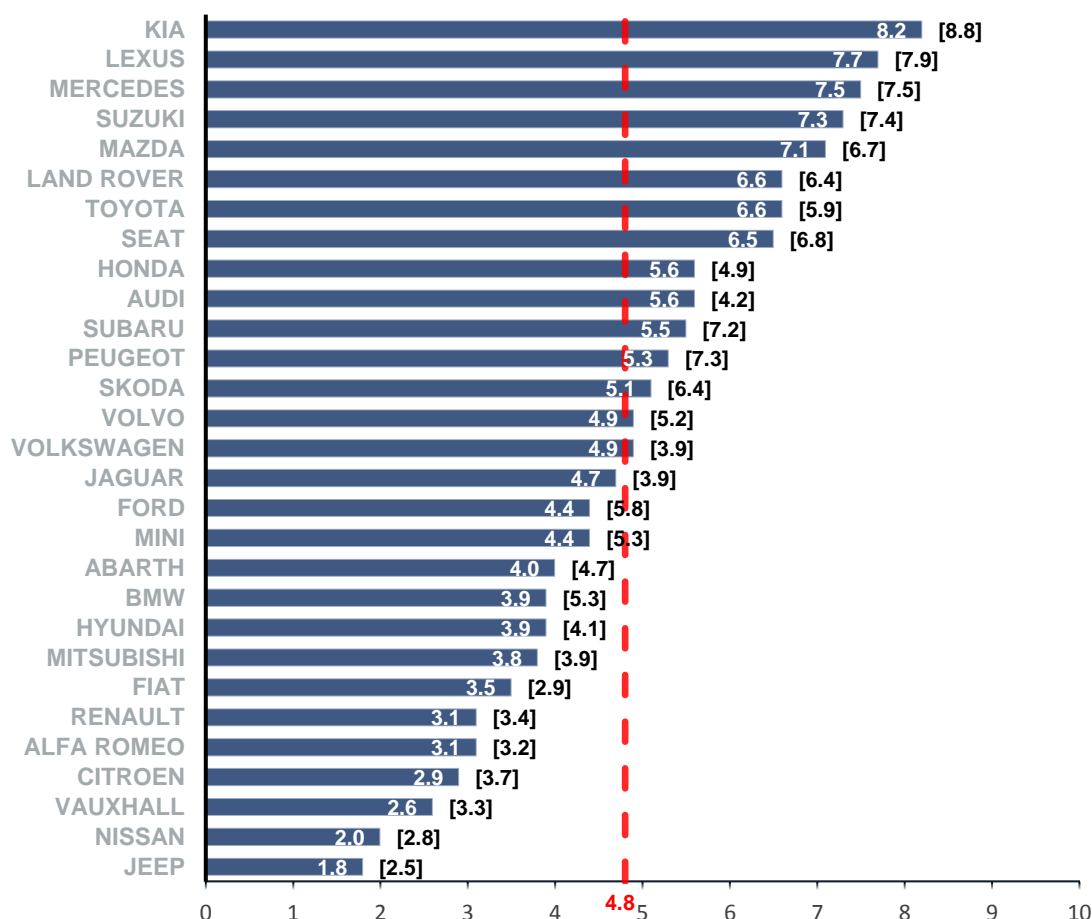
Average score: 4.7 points

Summary:

A concerning 72% of the dealer network (21), experienced a decrease in satisfaction regarding their return on capital. Only seven experienced an increase and one did not change. The average dealer gave a score of 4.7, which is 0.5 down from the last survey and below the neutral score of 5.0 points.

Targets

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



Top performer: Kia 8.2 points

Bottom performer: Jeep 1.8 points

Most improved: Audi +1.4 points

Biggest decline: Peugeot -2.0 points

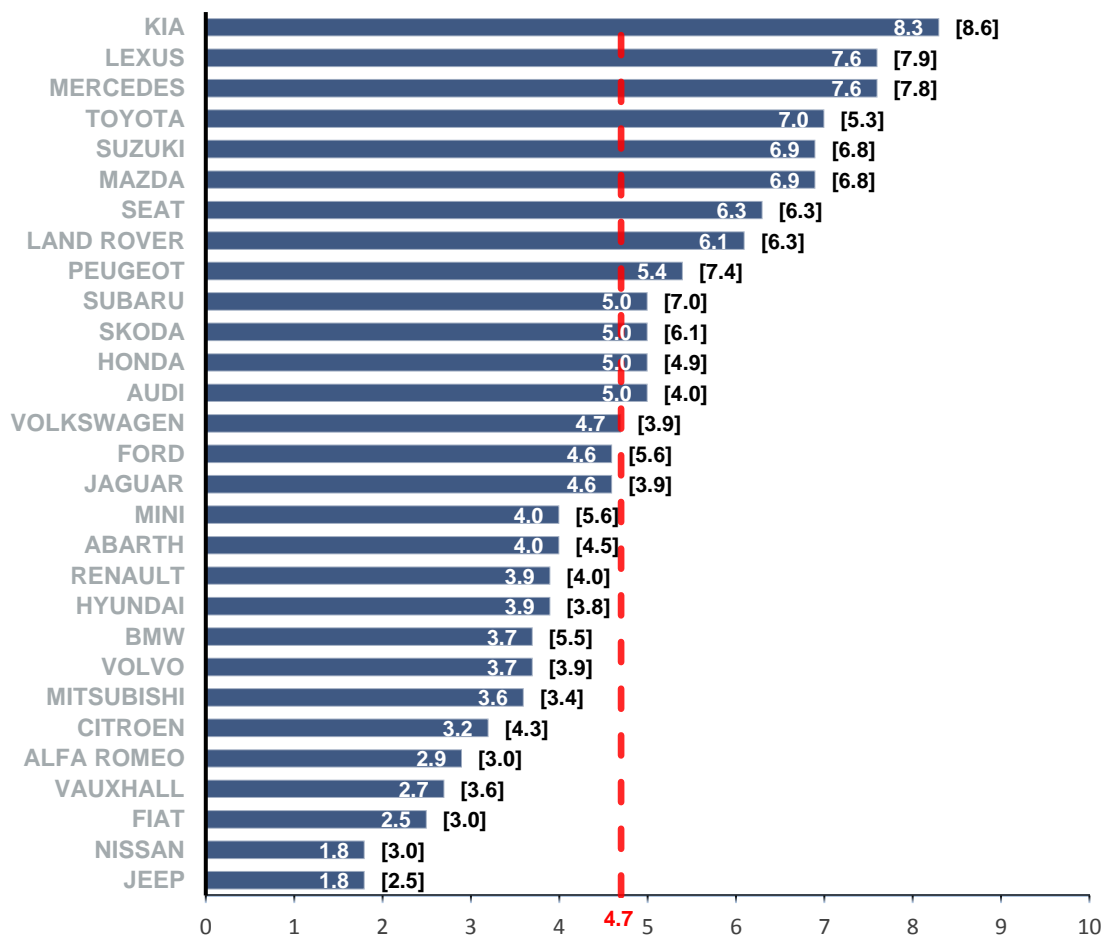
Average score: 4.8 points

Summary:

Of the dealer networks surveyed, 20 saw their score decrease, whilst eight improved and one was unchanged. Nearly half (45%) gave a response better than the neutral score of 5.0. The average score of 4.8 is 0.2 down from the last survey.

Targets

How satisfied are you with your new car targeting process?



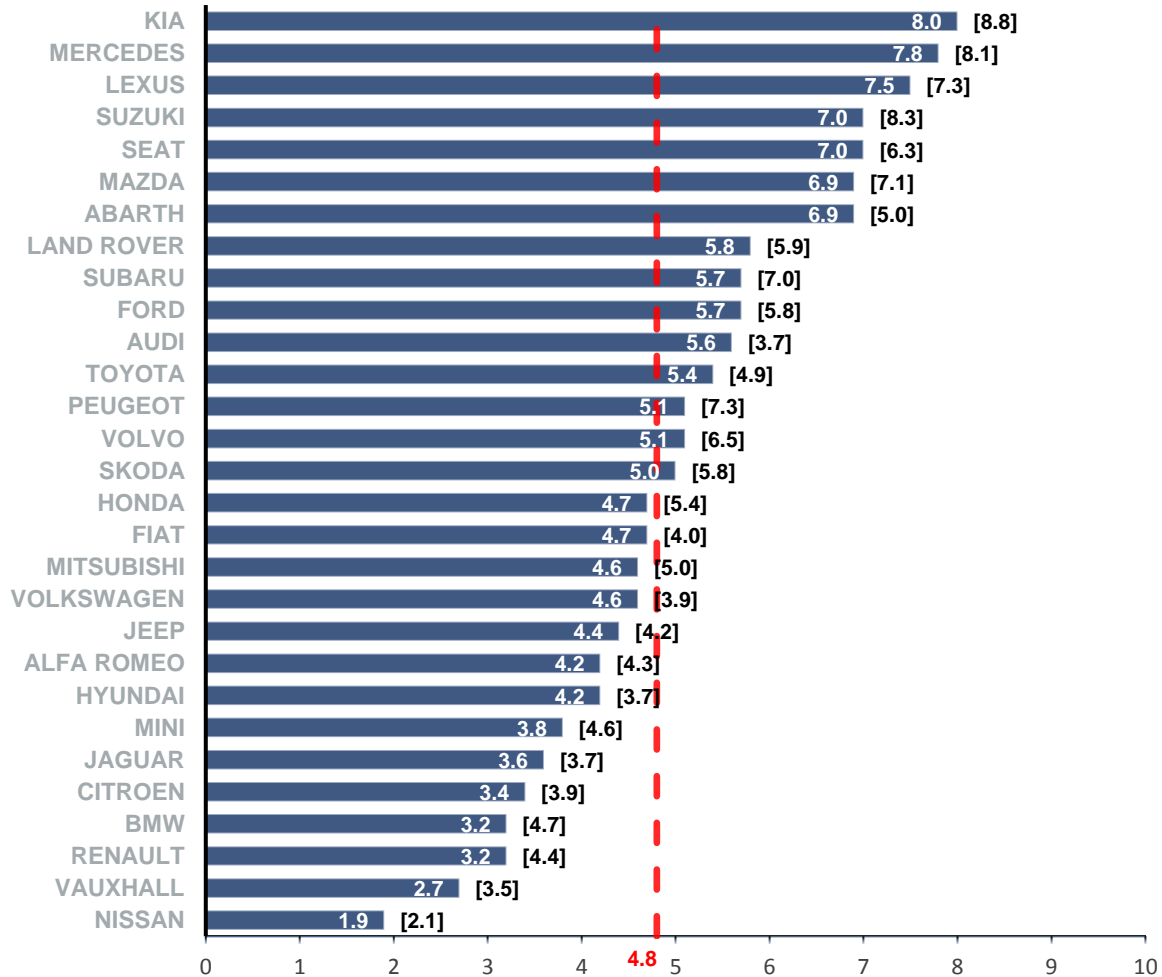
Top performer:	Kia	8.3 points
Bottom performer:	Jeep	1.8 points
Most improved:	Toyota	+1.7 points
Biggest decline:	Peugeot and Subaru	-2.0 points
Average score:		4.7 points

Summary:

In response to how satisfied dealers were with their new car targeting process, the average score given was 4.7, which is a 0.2 reduction from the last survey. Of the dealer networks surveyed, 19 saw a decrease in satisfaction, nine saw an increase and one was unchanged. Nine dealer networks gave a response above 5.0.

Self-registrations

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



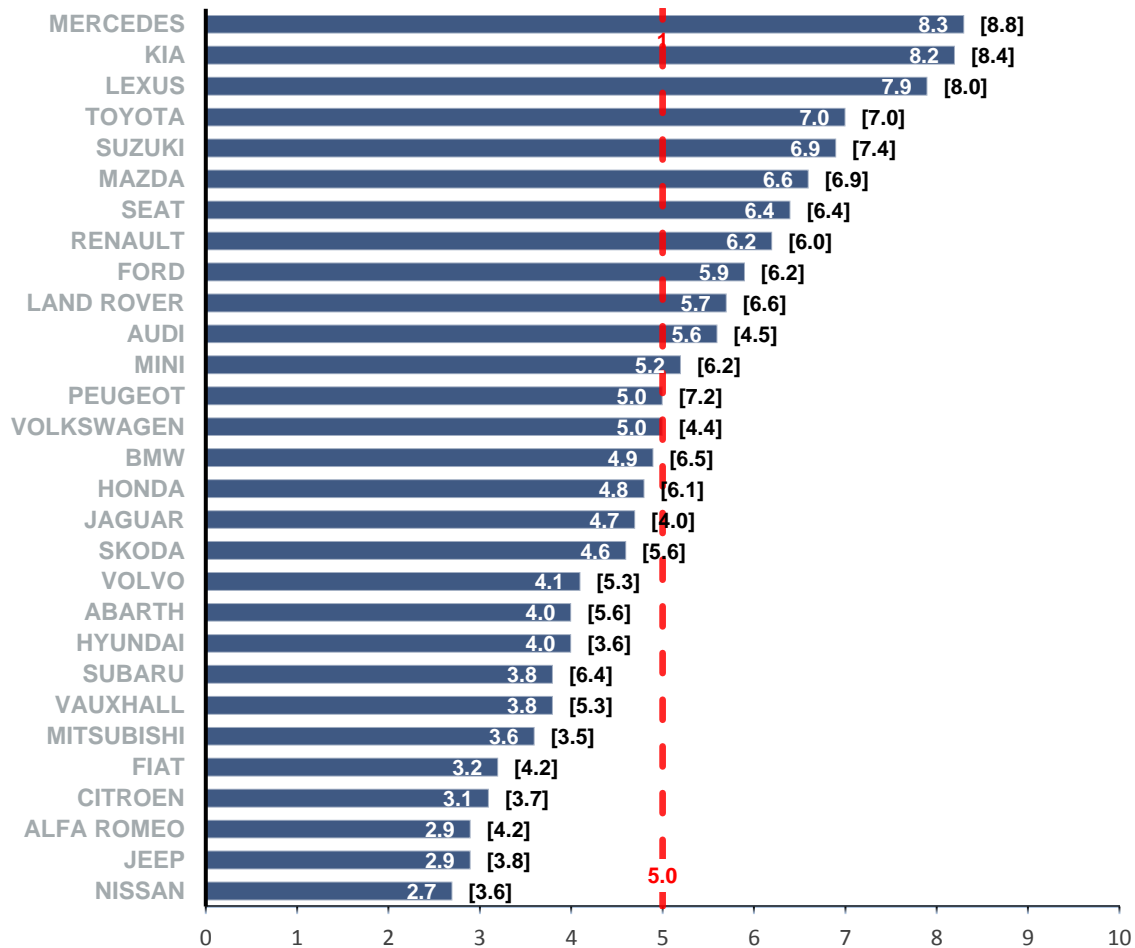
Top performer:	Kia	8.0 points
Bottom performer:	Nissan	1.9 points
Most improved:	Audi and Abarth	+1.9 points
Biggest decline:	Peugeot	-2.2 points
Average score:		4.8 points

Summary:

The average score of 4.8 is lower than the last survey by 0.4 points. Slightly less than half of the dealer networks (14 out of 29) gave a response above the neutral score of 5.0 regarding their satisfaction with inducement to self-register vehicles. While nine dealer networks saw their score grow, 20 experienced a decline.

Incentives

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



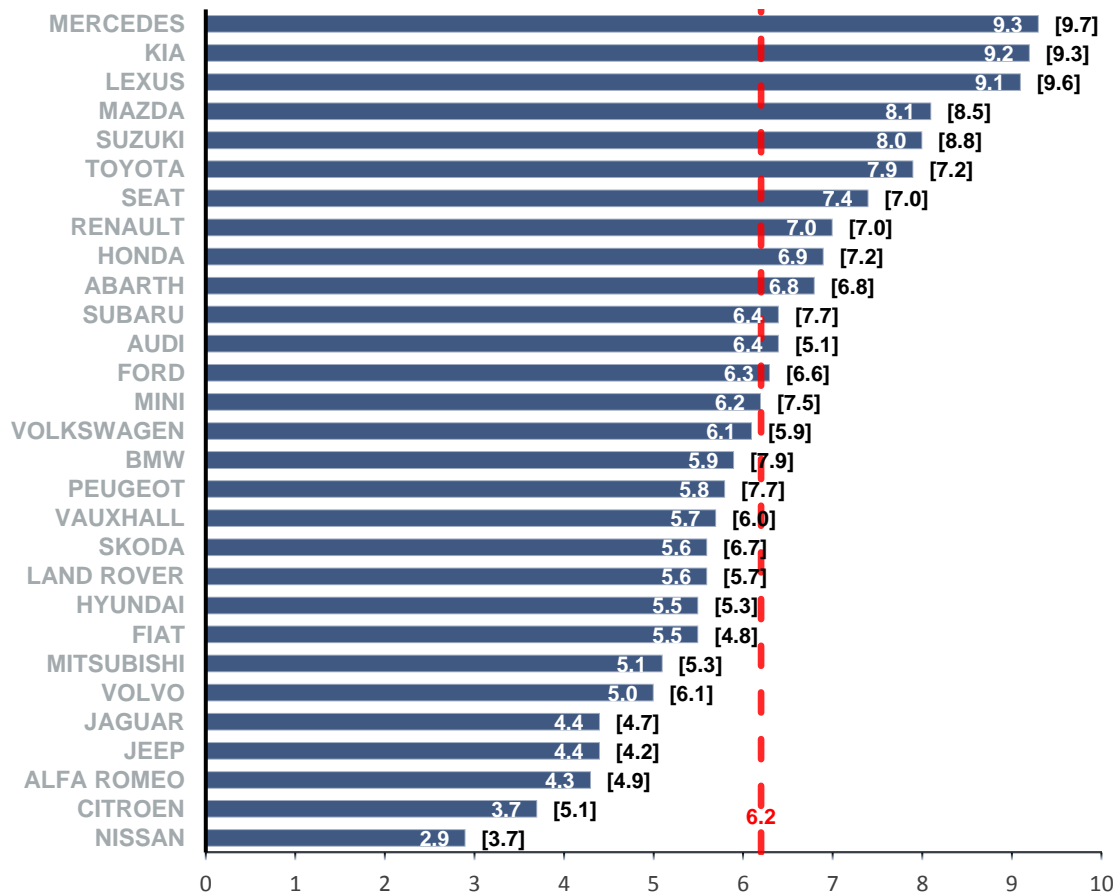
Top performer:	Mercedes	8.3 points
Bottom performer:	Nissan	2.7 points
Most improved:	Audi	+1.1 points
Biggest decline:	Subaru	-2.6 points
Average score:		5.0 points

Summary:

The average dealers' satisfaction with bonus and rebate rates for new car sales decreased by 0.5 from the last survey. The majority of dealer networks (21) saw a decrease in their levels of satisfaction, only six reported an increase and two scores remained the same. Less than half of dealer networks (12, 41%) gave a response above 5.0.

Day-to-day working relationship

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



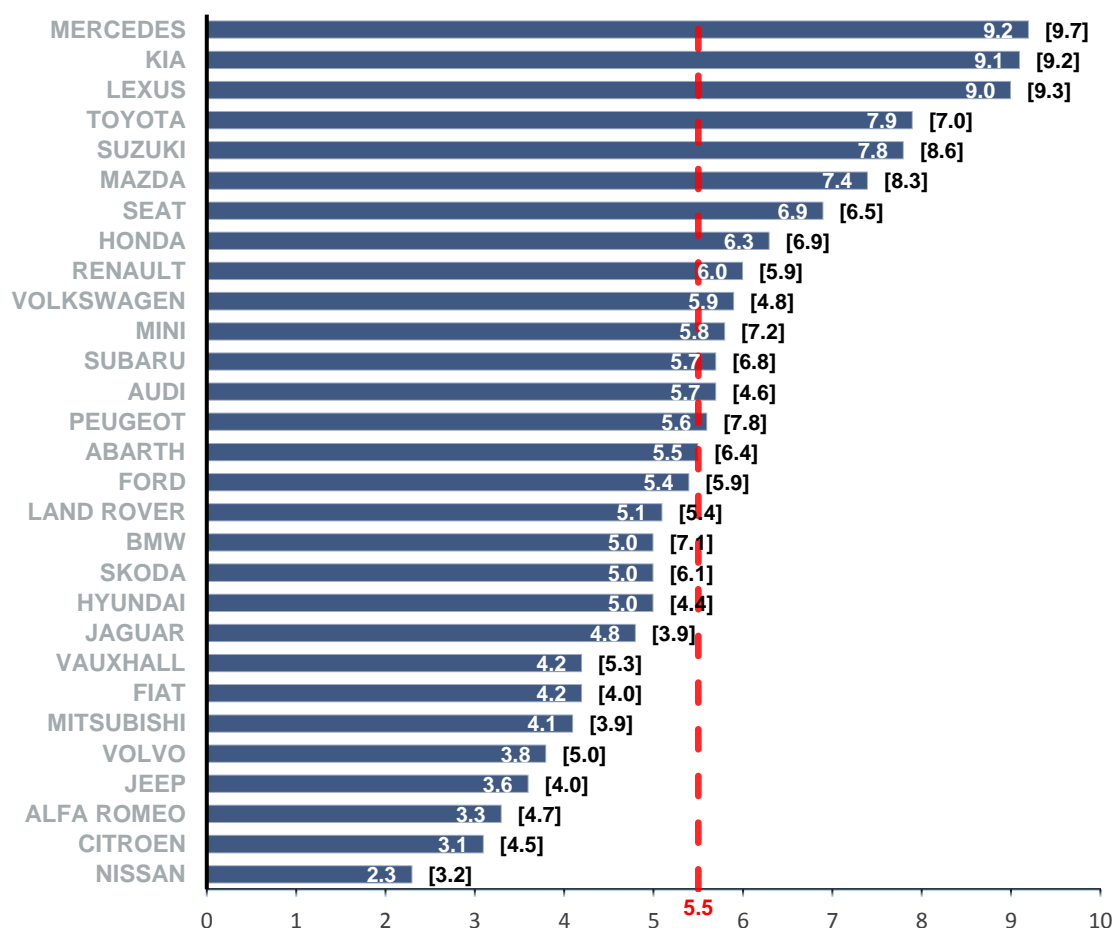
Top performer:	Mercedes	9.3 points
Bottom performer:	Nissan	2.9 points
Most improved:	Audi	+1.3 points
Biggest decline:	BMW	-2.0 points
Average score:		6.2 points

Summary:

The ability to do business with manufacturers on a day-to-day basis is crucial for franchised dealers and, positively, 23 out of 29 of the dealer networks surveyed had satisfaction levels above the neutral score of 5.0. However, 20 saw a decrease, whilst seven saw their score improve and two remained at the same level. The average score has decreased by 0.3 from 6.5 to 6.2.

Day-to-day working relationship

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



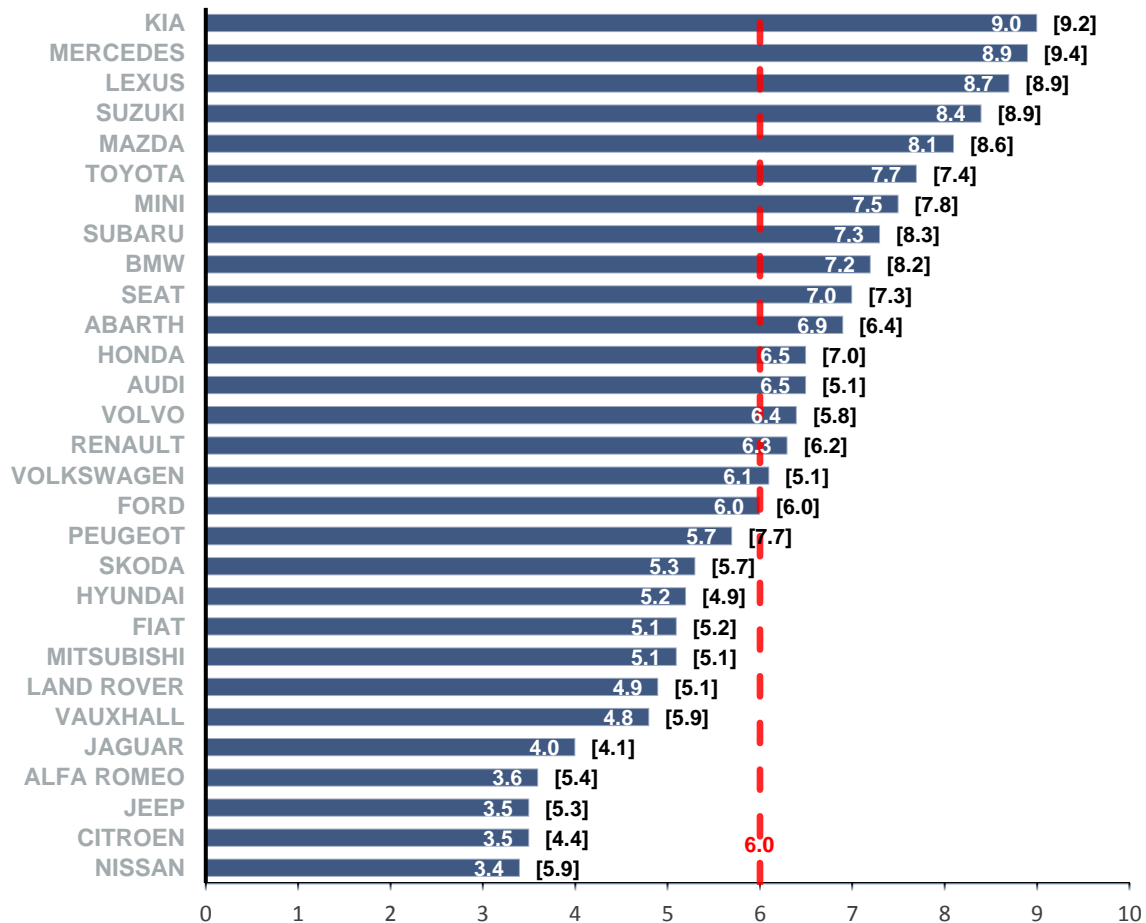
Top performer:	Mercedes	9.2 points
Bottom performer:	Nissan	2.3 points
Most improved:	Audi and Volkswagen	+1.1 points
Biggest decline:	Peugeot	-2.2 points
Average score:		5.5 points

Summary:

The majority of the dealer networks surveyed (17, 59%) had levels of satisfaction above the neutral score of 5.0. However, the average score decreased from 5.9 to 5.5 and, whilst only nine dealer networks saw their score improve, 20 of them experienced a decline.

Standards and performance measures

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



Top performer: Kia 9.0 points

Bottom performer: Nissan 3.4 points

Most improved: Audi +1.4 points

Biggest decline: Nissan -2.5 points

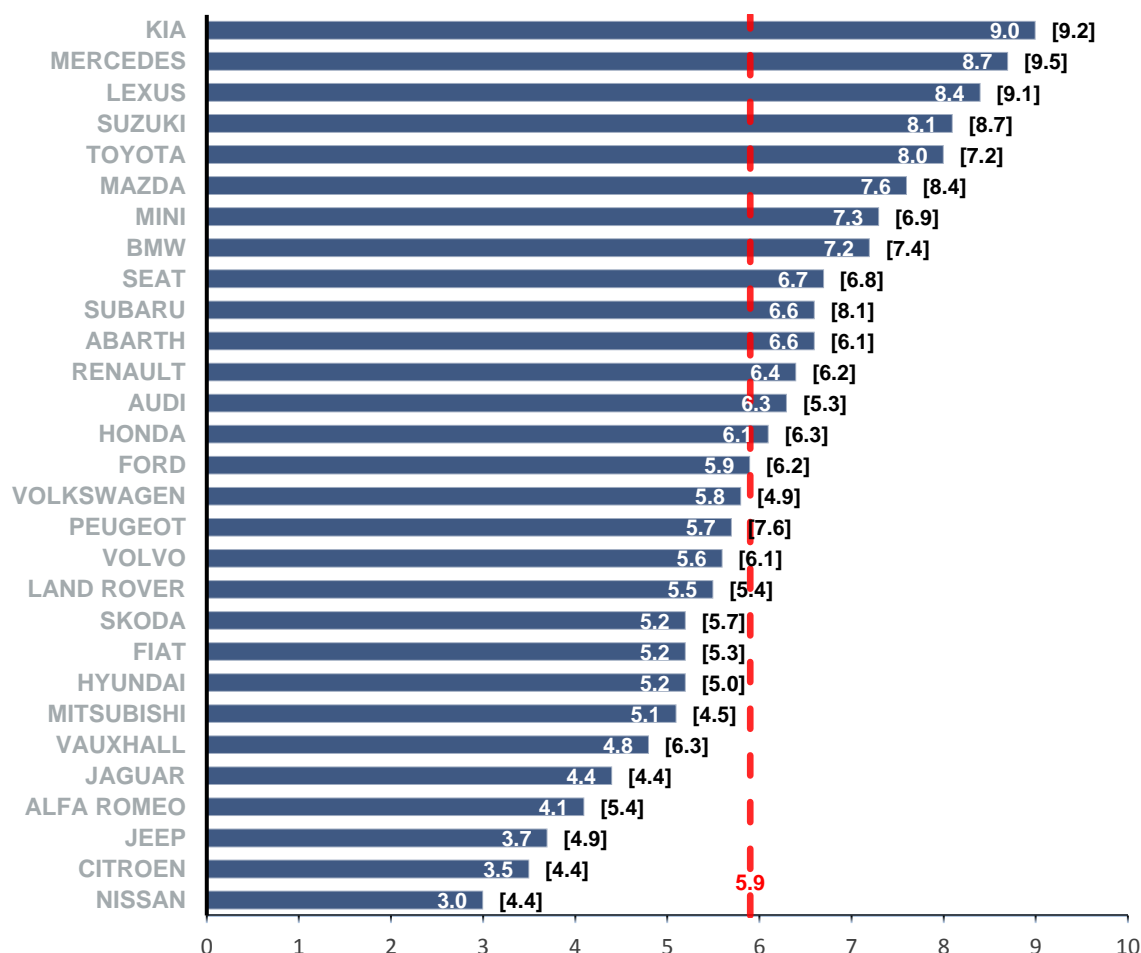
Average score: 6.0 points

Summary:

The average dealer satisfaction with the fairness and reasonableness of their manufacturer’s dealer standards decreased from 6.3 to 6.0. The majority of the dealer networks (20), experienced a decrease in satisfaction, seven saw an increase and two remained unchanged. 22 of the 29 dealer networks had a score which was above the neutral score of 5.0.

Standards and performance measures

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



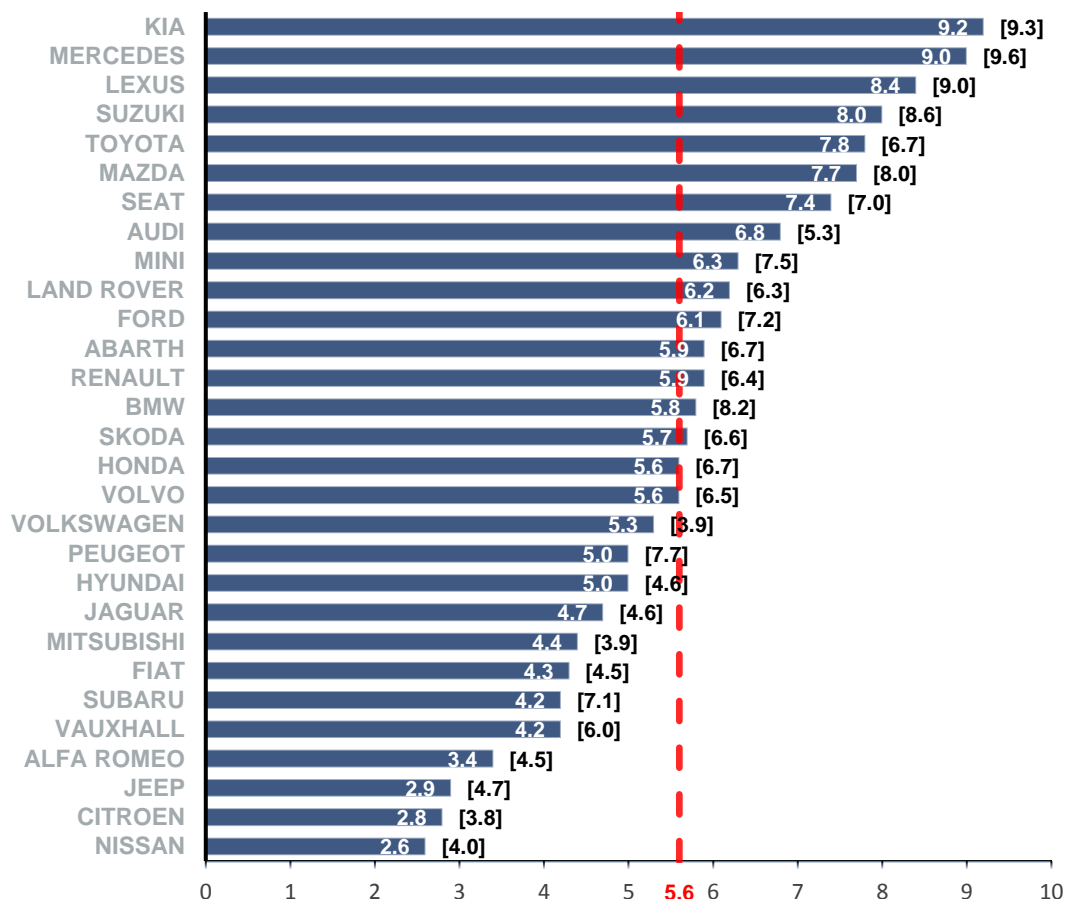
Top performer:	Kia	9.0 points
Bottom performer:	Nissan	3.0 points
Most improved:	Audi	+1.0 points
Biggest decline:	Peugeot	-1.9 points
Average score:		5.9 points

Summary:

The average score decreased by 0.3, from 6.2 to 5.9. Despite the average score being above the neutral point of 5.0, 19 dealer networks saw a decline, only nine saw their score improve and one did not change. Nearly four out of five networks (23, 79%) returned a score that was above the neutral score of 5.0.

Overall manufacturer scores

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



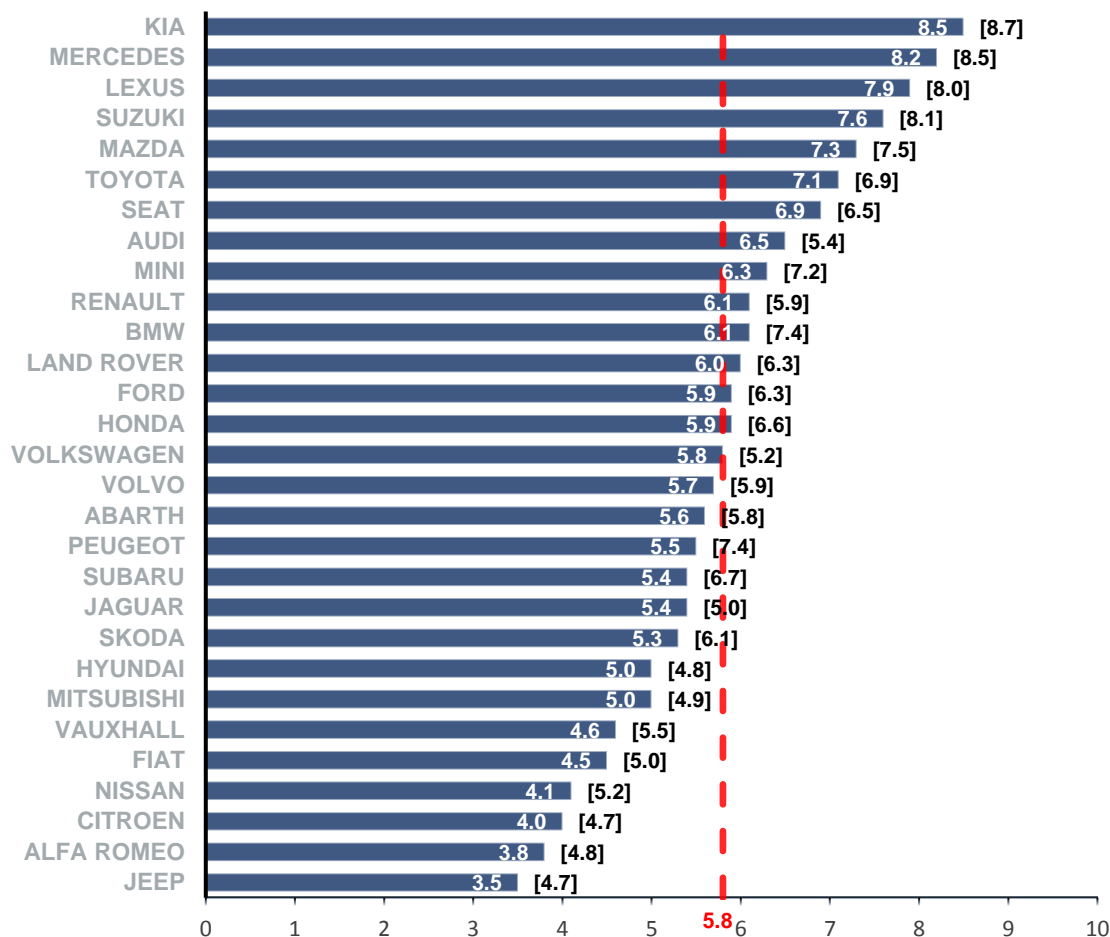
Top performer:	Kia	9.2 points
Bottom performer:	Nissan	2.6 points
Most improved:	Audi	+1.5 points
Biggest decline:	Subaru	-2.9 points
Average score:		5.6 points

Summary:

The most significant measure of the health of the dealer/manufacturer relationship is the overall ranking question. The Dealer Attitude Survey Summer 2017 average dealers' rating of their manufacturer decreased by 0.5 since the last survey, from 6.1 to 5.6. This is primarily due to the fact that 76% of the dealer networks decreased their rating, whilst only 24% increased it. Positively, 18 dealer networks, 62% of the total, returned an average score above 5.0.

Overall manufacturer scores

Average score across all questions



Top performer: Kia 8.5 points

Bottom performer: Jeep 3.5 points

Most improved: Audi +1.1 points

Biggest decline: Peugeot -1.9 points

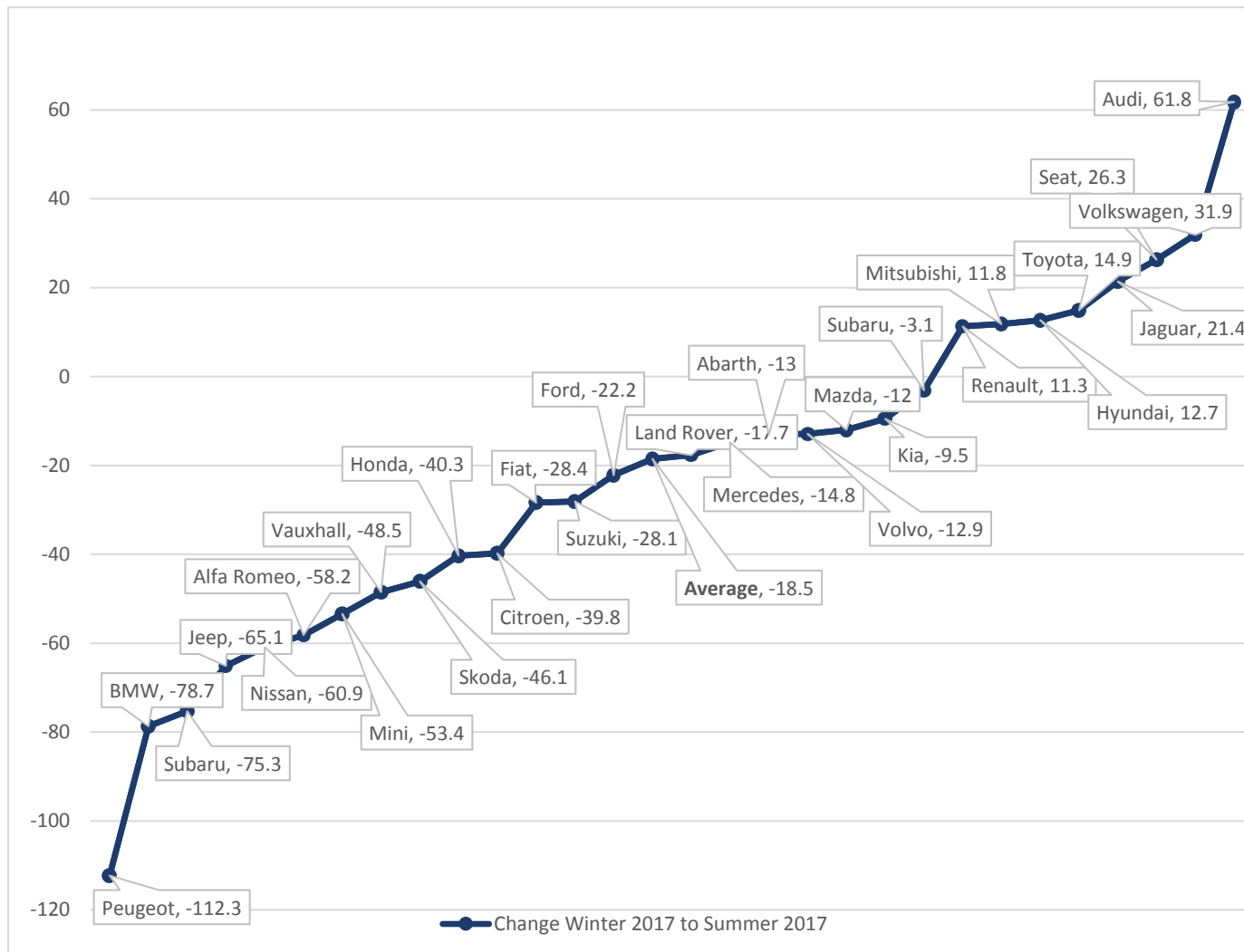
Average score: 5.8 points

Summary:

Another measure to see how satisfied the dealer networks are with their manufacturers, across all the elements of the survey, is to use the average score given to all questions. Across all questions, the average score given by dealers was 5.8, 0.4 lower than the average score of the last survey. Nearly three quarters of the dealer networks experienced a decline, whilst eight saw an improvement. Positively, 23 out of 29 returned an average score above the neutral score of 5.0.

Overall manufacturer scores

Total movement across all questions



Most improved:

Audi

+61.8 points

Biggest decline:

Peugeot

-112.3 points

Average score:

-18.5

Summary:

Finally, a third way to evaluate the overall performance of the various manufacturers is to look at the total movement in all the questions of the survey for each dealer network. Only eight manufacturers saw a net positive movement in the survey, while 21 experienced a negative one. The average dealer saw a total negative movement of -18.5 points across the survey. Audi was the best performer with a total increase of 61.8 points across all questions, Peugeot, following last year's success, saw the largest decline, losing a total of -112.3 points.



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