# J.D. POWER

## Press Release

### Online Buyers Beware! Dealers Are Crucial Part of Vehicle Purchases, J.D. Power Finds

Lincoln and Mercedes-Benz Rank Highest among Luxury Brands; Buick Ranks Highest among Mass Market Brands

**COSTA MESA, Calif.: 15 Nov. 2017** — Car shoppers are arming themselves with more vehicle information before going into a dealership, but it's the pre-purchase interaction with the salesperson that leads to high sales satisfaction, according to the J.D. Power 2017 U.S. Sales Satisfaction Index Study,<sup>SM</sup> released today.

"While customers are preparing themselves online with the best information and negotiation tactics, they still prefer to interact with a salesperson or product specialist prior to buying a vehicle," said **Chris Sutton**, **Vice President of the Automotive Retail Practice at J.D. Power**. "Dealers can't control a customer's prepurchase activities, but they should be prepared to positively influence areas that will affect a customer's likelihood to buy as well as their level of satisfaction. An example is to post photos of actual inventory to their website or engage with shoppers via text messaging or phone calls. Be sure that online specials are up to date and easy to access from the dealer's site. These simple things go a long way toward earning a sale and satisfying a customer."

Following are some of the study's key findings:

- **Demonstrations are key:** As vehicle technology becomes more complex, shoppers rely on dealership experts to demonstrate how to use the new technology. In this case, 41% of mass market buyers and 33% of luxury buyers want to completely learn about a vehicle's features and controls during the delivery process. Additionally, 65% of shoppers who have a sales consultant show them how to use features on their personal smartphone say it was a "very effective" tool and subsequently are more confident using apps and websites for vehicle interaction and maintenance.
- Follow through on the follow-up: After the purchase, 80% of mass market buyers and 87% of luxury buyers indicate they were contacted by the dealership. But only 32% of mass market buyers and 51% of luxury buyers receive a second follow-up explanation of vehicle features. That second follow-up improves satisfaction by as much as 100 points (on a 1,000-point scale) among both mass market and luxury buyers.
- **Do it right the first time:** The majority of new vehicles don't have problems, but when they do the result is a negative effect on satisfaction. Dents, dings and scratches upon delivery can make satisfaction dip by 198 points.

### **Brand Sales Satisfaction Ratings**

**Lincoln** and **Mercedes-Benz** rank highest in sales satisfaction among luxury brands, each achieving a score of 830. This is the first time Lincoln ranks highest. Mercedes-Benz previously ranked highest in 2014. **Infiniti** ranks third with a score of 821, followed by **Porsche** at 818.

**Buick** ranks highest in sales satisfaction among mass market brands for the second consecutive year, achieving a score of 808. **MINI** ranks second with a score of 803 and **GMC** ranks third with a score of 793.

The study—now in its 31st year and redesigned for 2017—measures satisfaction with the sales experience among new-vehicle buyers and rejecters, who are those who shop a dealership and purchase elsewhere. Buyer satisfaction is based on six measures: dealer personnel (28%); delivery process (21%); working out the deal (18%); paperwork completion (16%); dealership facility (13%); and dealership website (4%). Rejecter satisfaction is based on five measures: salesperson (40%); fairness of price (15%); experience negotiating (15%); variety of inventory (15%); and dealership facility (14%).

The 2017 U.S. Sales Satisfaction Index (SSI) Study is based on responses from 28,989 buyers who purchased or leased their new vehicle in April or May 2017. The study is a comprehensive analysis of the new-vehicle purchase experience and measures customer satisfaction with the selling dealer (satisfaction among buyers). The study also measures satisfaction with brands and dealerships that were shopped but ultimately rejected in favor of the selling brand and dealership (satisfaction among rejecters), and was fielded from July through September 2017.

To learn more about the U.S. Sales Satisfaction Index (SSI) Study, visit <u>http://www.jdpower.com/resource/us-sales-satisfaction-index-ssi-study</u>.

See the online press release at <u>http://www.jdpower.com/pr-id/2017206</u>.

**J.D. Power** is a global leader in consumer insights, advisory services and data and analytics. These capabilities enable J.D. Power to help its clients drive customer satisfaction, growth and profitability. Established in 1968, J.D. Power is headquartered in Costa Mesa, Calif., and has offices serving North/South America, Asia Pacific and Europe. J.D. Power is a portfolio company of XIO Group, a global alternative investments and private equity firm headquartered in London, and is led by its four founders: Athene Li, Joseph Pacini, Murphy Qiao and Carsten Geyer.

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# # # NOTE: Two charts follow.

## J.D. Power 2017 U.S. Sales Satisfaction Index (SSI) Study<sup>SM</sup>

### Sales Satisfaction Index Ranking Luxury Brands

500 550 600 650 700 750 800 850 900 Lincoln 830 Mercedes-Benz 830 Infiniti 821 Porsche 818 Lexus 810 Cadillac 808 Luxury Brand Average 806 BMW 798 Audi 794 791 Acura Jaguar 779 Land Rover 778 Volvo 776 Alfa Romeo 755 Genesis 743

(Based on a 1,000-point scale)

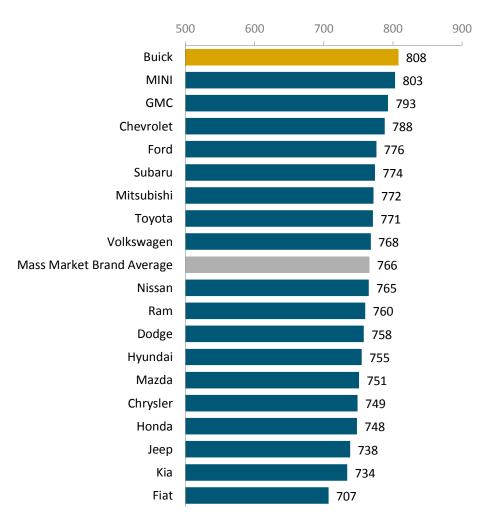
#### Source: J.D. Power 2017 U.S. Sales Satisfaction Index (SSI) Study<sup>SM</sup>

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## J.D. Power 2017 U.S. Sales Satisfaction Index (SSI) Study<sup>SM</sup>

### Sales Satisfaction Index Ranking Mass Market Brands

(Based on a 1,000-point scale)



Note: smart is included in the study, but not ranked due to insufficient sample size.

Source: J.D. Power 2017 U.S. Sales Satisfaction Index (SSI) Study<sup>SM</sup>

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