



Press Release

J.D. Power and Associates Reports: Low Vehicle Sales Likely to Cause Precipitous Drop in Auto Dealer Service Visits During the Next Several Years, Reaching Low Point in 2013

Lexus Ranks Highest in Customer Satisfaction with Dealer Service among Luxury Brands,
While HUMMER Ranks Highest among Mass Market Brands

WESTLAKE VILLAGE, Calif.: 24 February 2010 — The outlook for auto dealer service volumes and customer spending appears challenging, with decreases in service business brought on by depressed auto sales in 2008 and 2009 projected to continue for several years, whereby service volume may reach a low point in 2013, according to the J.D. Power and Associates 2010 Customer Service Index (CSI) StudySM released today.

Dealer service traffic volumes are expected to decline by approximately 20 percent between 2009 and 2013, resulting in a 25 percent decrease in service dollars from owners of late (2005 to 2009) model year vehicles. Particularly in the current period of slow auto sales, most dealers rely on service business to stay profitable.

“Over time, many vehicle owners gradually defect to non-dealer service facilities for repair and maintenance needs, particularly when the warranty period expires,” said Jon Osborn, research director at J.D. Power and Associates. “With service customer retention becoming more crucial than ever during the next few years, dealerships must focus on not only providing superior levels of customer service, but also on enhancing convenience for vehicle owners and providing pricing that is more competitive with non-dealer facilities.”

The study examines satisfaction among vehicle owners who visit a service department for maintenance or repair work. The CSI rankings are based on dealer performance during the first three years of ownership, which typically represents the majority of the vehicle warranty period. Five measures are examined to determine overall customer satisfaction with dealer service (listed in order of importance): service quality; service initiation; service advisor; service facility; and vehicle pick-up.

Lexus ranks highest in customer satisfaction with dealer service among luxury brands and receives an award for a second consecutive year. Lexus achieves an overall CSI score of 837 on a 1,000-point scale and performs particularly well in four of the five measures: service quality; service initiation; service advisor; and service facility. Rounding out the top five nameplates in the premium segment are Cadillac (827), Jaguar (822), Acura (817) and BMW (816). Among luxury brands, Cadillac and Mercedes-Benz post the greatest improvements from 2009.

Among mass market brands, HUMMER ranks highest with a score of 815 and performs particularly well in the service quality and service facility factors. Also among the top five brands in the mass market segment are Saturn (808), Buick (805), Chevrolet (787) and MINI (786). Six General Motors brands (including brands GM is divesting) rank within the top seven in the mass market segment. Among mass market brands, Kia and Volkswagen post the greatest improvements from 2009.

The study finds that overall satisfaction with dealer service has increased from 761 in 2009 to 767 in 2010, marking the 10th consecutive year of industry-wide improvement.

Notable improvements are demonstrated in the service facility and service quality measures in 2010, compared with 2009. In particular, satisfaction has increased in the following areas: ease of driving in and out of dealer facilities; convenience of parking; thoroughness of the work performed; the total time required to complete service on the vehicle; flexibility of accommodating the customer schedules; and thoroughness of explanations.

Several other time-related metrics have improved from 2009, including customer ability to get a service appointment on the same day as their initial inquiry call and service being completed the day that the vehicle was brought in for service.

“These improvements may be due to not only an increased focus on customer satisfaction from dealers, but also are possibly a result of lower volumes of service traffic that dealers are now experiencing,” said Osborn.

The 2010 CSI Study is based on responses from more than 114,200 owners and lessees of 2005 to 2009 model-year vehicles. The study was fielded between October and December 2009. J.D. Power and Associates measures dealer service in various countries around the world, including Australia, Canada, China, France, Germany, India, Indonesia, Japan, Malaysia, Mexico, New Zealand, the Philippines, South Africa, Taiwan, Thailand and the UK.

About J.D. Power and Associates

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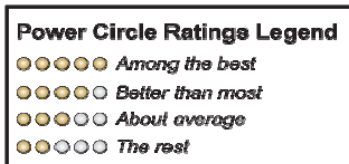
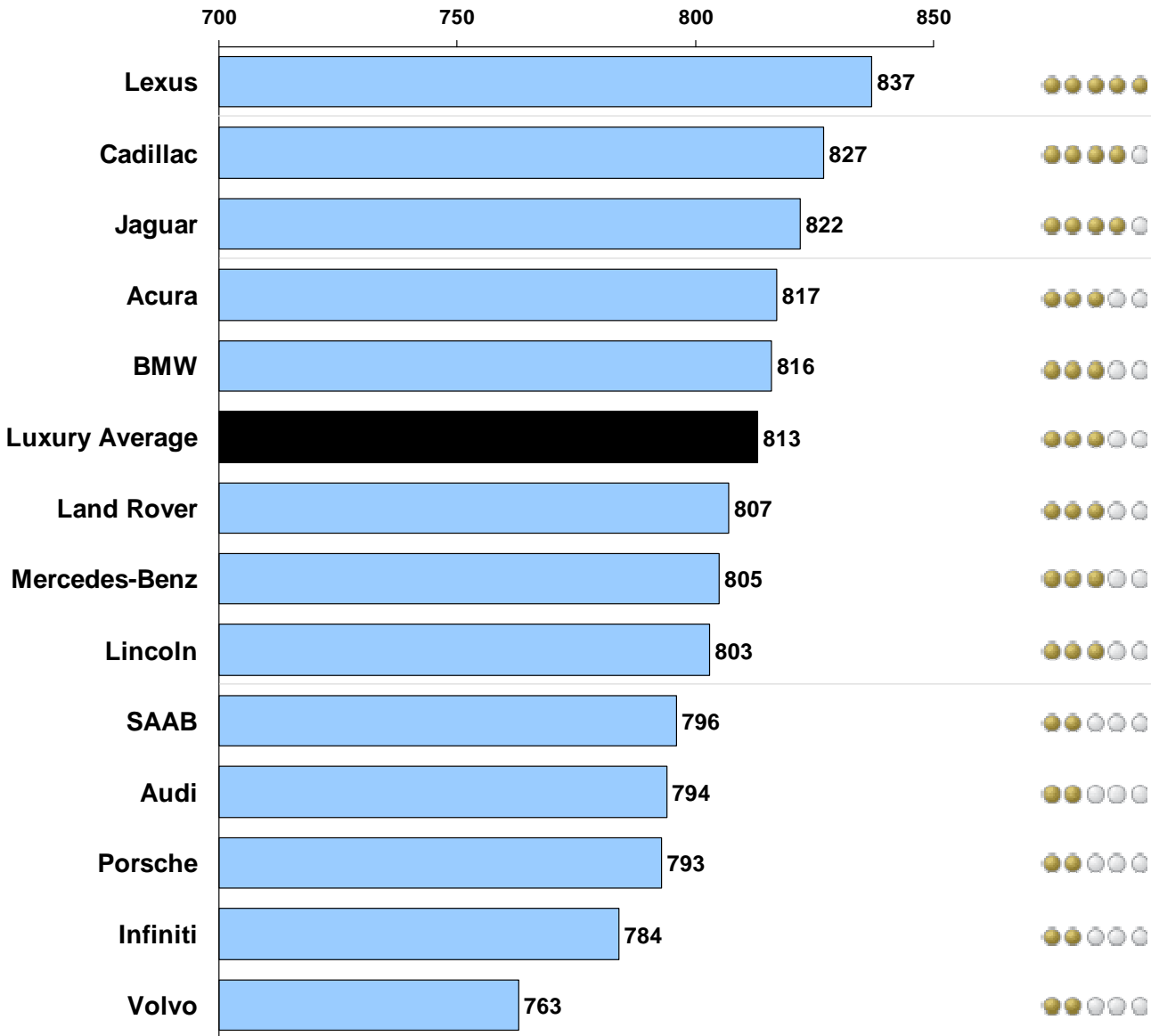
J.D. Power and Associates 2010 Customer Service Index (CSI) StudySM

Customer Service Index Ranking

Luxury Brands

(Based on a 1,000-point scale)

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Source: J.D. Power and Associates 2010 Customer Service Index (CSI) StudySM

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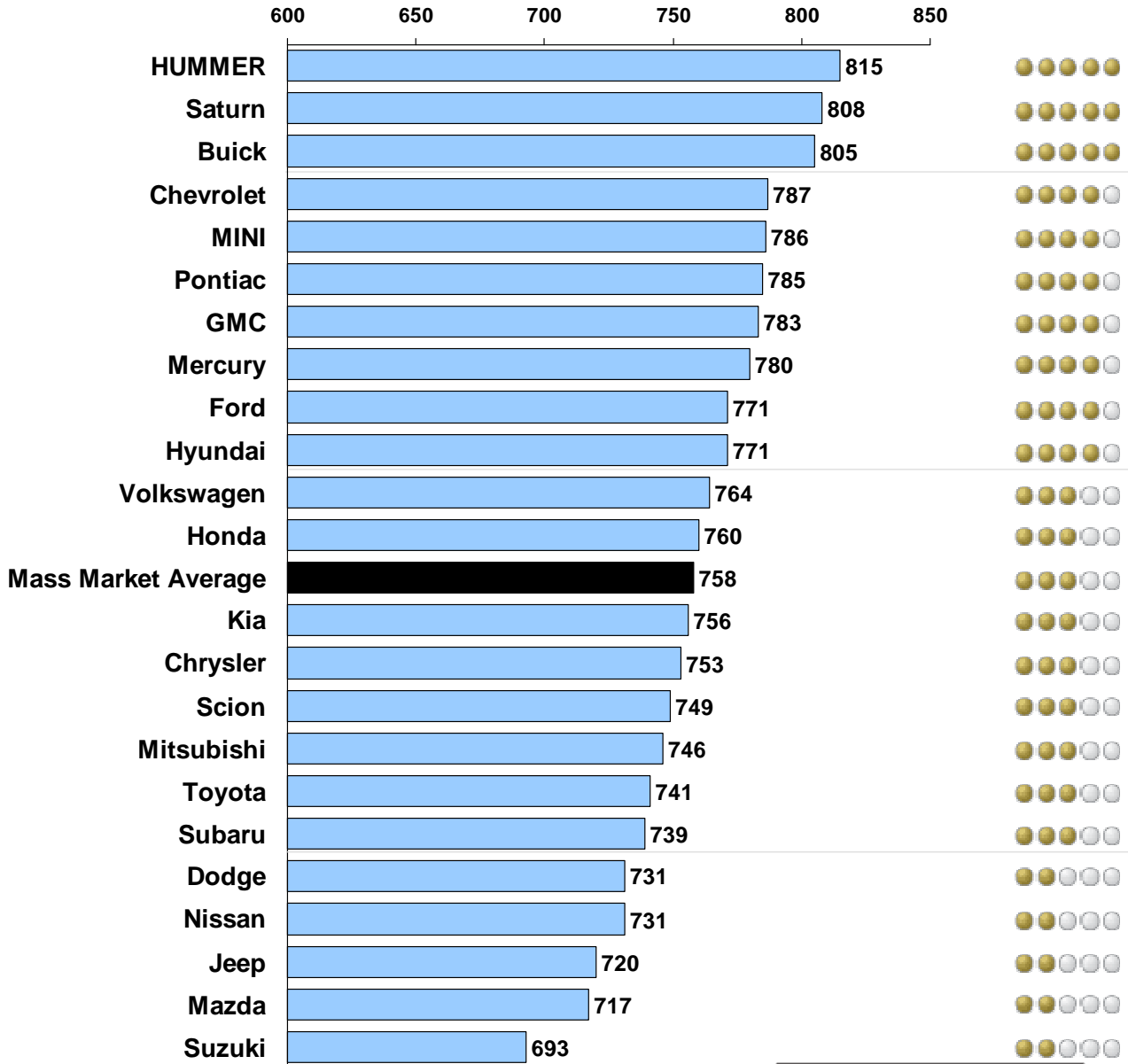
J.D. Power and Associates 2010 Customer Service Index (CSI) StudySM

Customer Service Index Ranking

Mass Market Brands

(Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



Power Circle Ratings Legend
 ●●●●● Among the best
 ●●●●○ Better than most
 ●●●○● About average
 ●●○●○ The rest

Source: J.D. Power and Associates 2010 Customer Service Index (CSI) StudySM

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