



Press Release

J.D. Power and Associates Reports:

Contrary to Popular Perception, Consumers Say Upselling of “Unnecessary” Work by Auto Dealers is Rare

Lexus Receives an Award in Customer Satisfaction with Dealer Service for a Third Consecutive Year, While MINI Ranks Highest among Mass Market Brands

WESTLAKE VILLAGE, Calif.: 11 March 2011 — Despite some perceptions that auto dealerships routinely pressure customers to accept unnecessary maintenance or repair services, very few service customers indicate experiencing upselling by the dealer, according to the J.D. Power and Associates 2011 U.S. Customer Service Index (CSI) StudySM released today.

Overall, only 7 percent of service customers in 2011 indicate that their dealer attempted to sell them service work that they perceived as unnecessary. However, customer-reported rates of upselling increase as vehicles age. Among owners of one-year-old vehicles, 4 percent indicate that the dealer tried to sell them unnecessary work. This increases to 9 percent among owners of four-year-old vehicles.

Customer perceptions of upsell pressure have a notable impact on overall satisfaction with dealer service. Among service customers who say they do not perceive that they were upsold, overall satisfaction averages 780 on a 1,000-point scale. In contrast, among customers who experienced upselling from the dealer, satisfaction averages 642—a difference of nearly 140 points.

“Suggesting additional service work can actually benefit both customers and dealerships—customers may prolong the life of their vehicle, while service facilities may gain additional revenue,” said Jon Osborn, research director at J.D. Power and Associates. “However, it is key for dealerships to properly train their staff in the subtleties involved in adequately explaining the necessity and value of additional services without placing undue sales pressure on the customer.”

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](#) for a second consecutive year and receives an award for a third consecutive year. Lexus achieves an overall CSI score of 846 and performs particularly well in all five measures. Rounding out the top four nameplates in the premium segment are Jaguar (837); Cadillac (830); and Acura (828). Among luxury brands, Volvo and Porsche achieve the greatest improvements from 2010.

Among [mass market brands](#), MINI ranks highest with a score of 805 and improves by 19 points from 2010. MINI performs particularly well in the vehicle pick-up and service quality factors. Also among the top 10 brands in the mass market segment are GMC (803); Buick (799); Chevrolet (792); Kia (784); Hyundai and smart, in a tie (783 each); Volkswagen (779); Ford (773); and Honda (765). Of mass market brands, Mazda and Suzuki achieve the greatest improvements from 2010.

The study also finds that, during the past five years, dealer service facilities have gradually increased their share of service visits and spending, particularly among customers whose vehicles are under warranty. Between 2007 and 2011, the share of service visits at dealer facilities has increased from 67 percent to 74 percent. During the same time frame, overall share of spending for dealer service visits increased from 70 percent to 73 percent.

“By becoming more competitive in terms of cost and convenience, dealer service facilities are making some progress in capturing share from non-dealer service facilities,” said Osborn. “Due to low sales levels during the past three years, service volumes for new in-warranty vehicles are expected to steadily decline through 2013. As a result, maintaining service customer share and loyalty will be vital to dealers in the coming years.”

The 2011 U.S. CSI Study is based on responses from more than 97,300 owners and lessees of 2006 to 2010 model-year vehicles. The study was fielded between October and December 2010. 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

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company providing forecasting, performance improvement, social media and customer satisfaction insights and solutions. The company’s quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more, please visit JDPower.com. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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J.D. Power and Associates Media Relations Contacts:

Syvetril Perryman; Westlake Village, Calif.; (805) 418-8103; media.relations@jdpa.com

Angela Bianchi; Troy, Mich.; (248) 312-4729; media.relations@jdpa.com

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NOTE: Two charts follow.

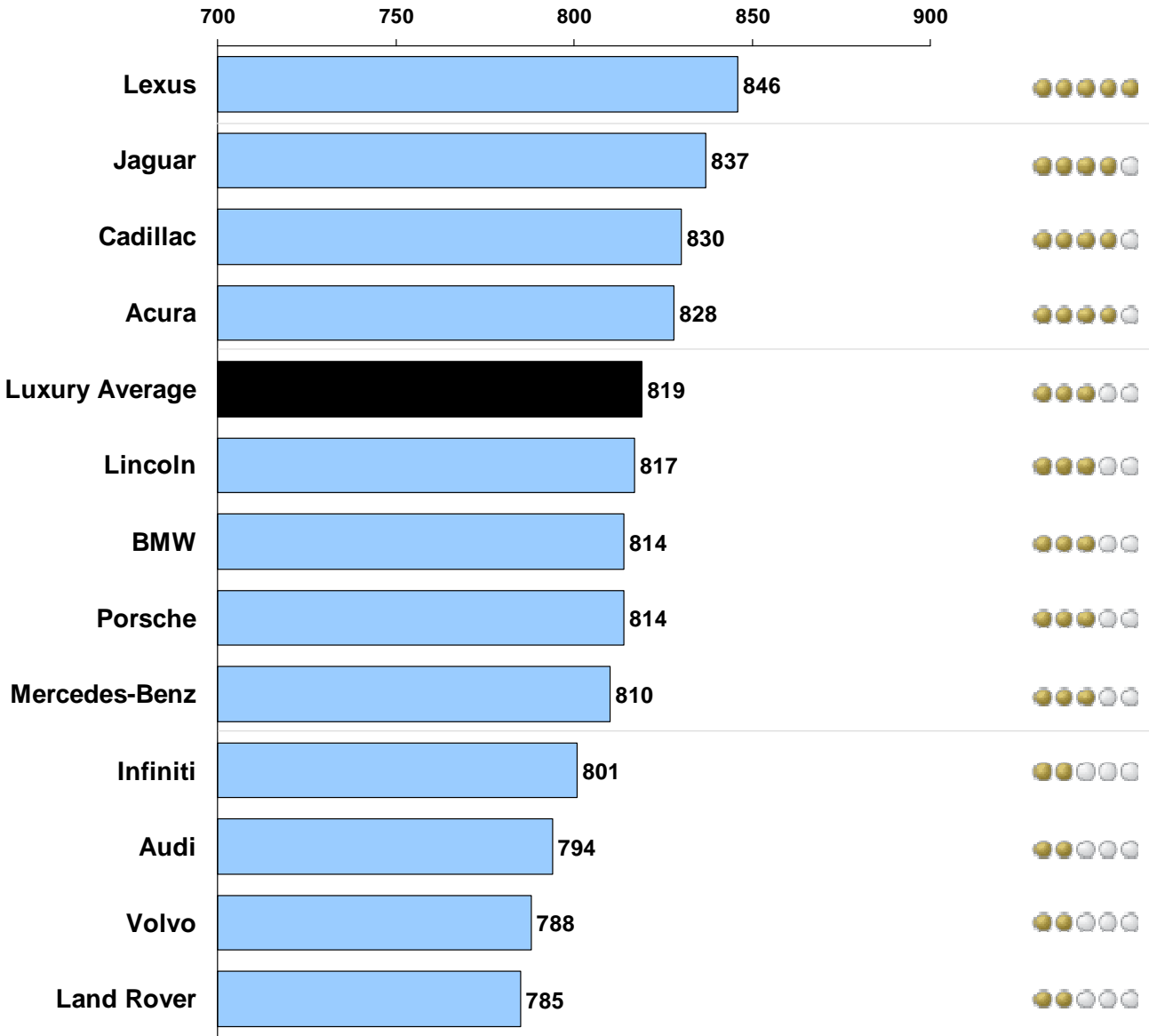
J.D. Power and Associates 2011 U.S. Customer Service Index (CSI) StudySM

Customer Service Index Ranking

Luxury Brands

(Based on a 1,000-point scale)

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for consumers:



NOTE: In order to be included in the 2011 rankings, brands must be represented in the study for each model year between 2008 and 2010. SAAB models did not have representation in the 2010 model year; therefore, SAAB is not included in the luxury brand rankings.

Source: J.D. Power and Associates 2011 U.S. Customer Service Index (CSI) StudySM

Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power and Associates as the publisher and the J.D. Power and Associates 2011 U.S. Customer Service Index (CSI) StudySM as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. JDPower.com Power Circle RatingsTM are derived from consumer ratings in J.D. Power studies. For more information on Power Circle Ratings, visit jdpower.com/faqs. No advertising or other promotional use can be made of the information in this release or J.D. Power and Associates survey results without the express prior written consent of J.D. Power and Associates.

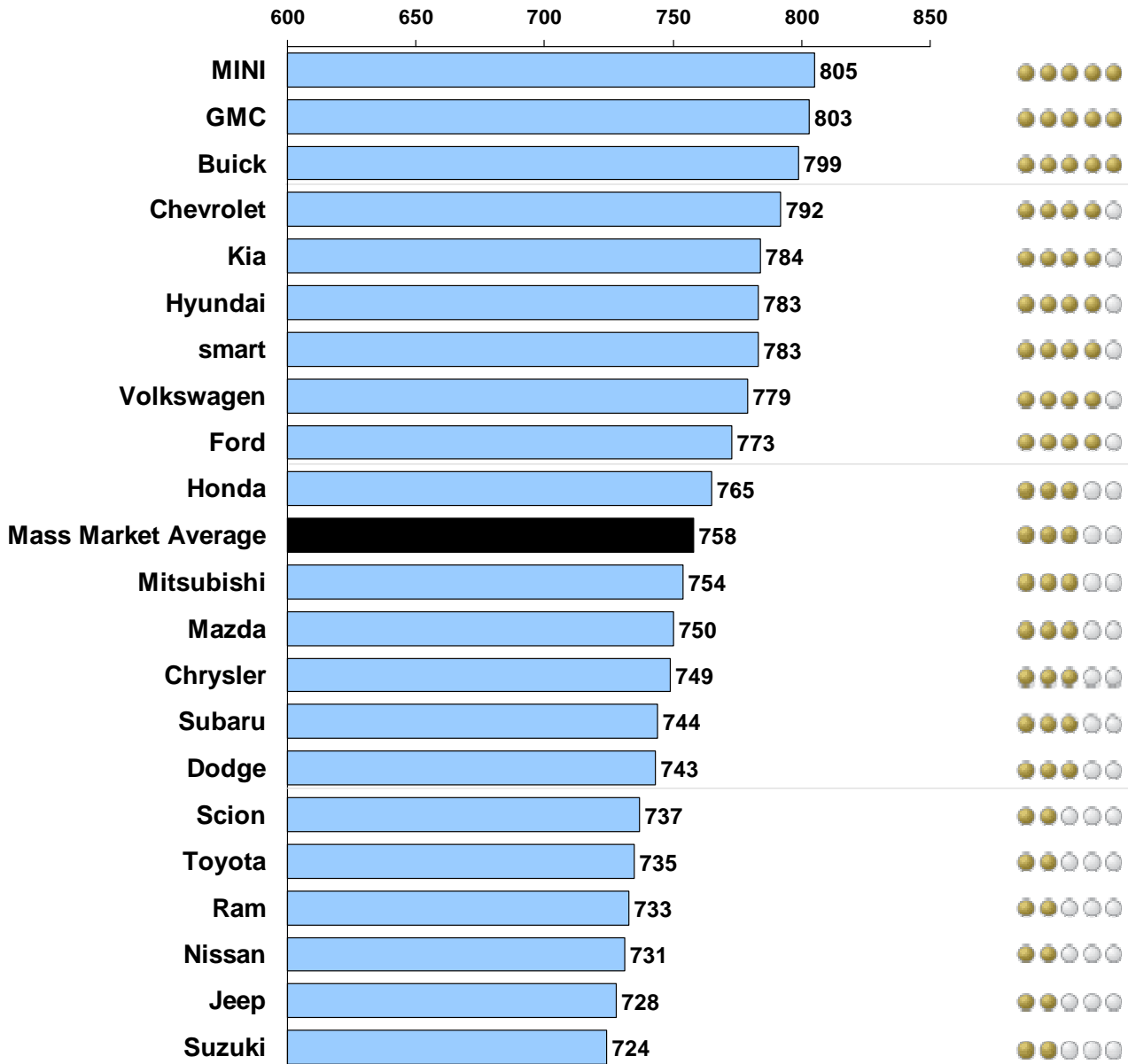
J.D. Power and Associates 2011 U.S. Customer Service Index (CSI) StudySM

Customer Service Index Ranking

Mass Market Brands

(Based on a 1,000-point scale)

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