J.D. POWER
McGRAW HILL FINANCIAL

Press Release

Auto Dealers That Embrace Technology Deliver a More Satisfying Sales Experience

Porsche Ranks Highest among Luxury Brands;
MINI Ranks Highest among Mass Market Brands for a Sixth Consecutive Year

WESTLAKE VILLAGE, Calif.: 12 November 2015 — Use of technology—i.e., tablets and computer displays—by dealers during the sales process can substantially improve customer satisfaction among new-vehicle buyers, according to the J.D. Power 2015 U.S. Sales Satisfaction Index (SSI) Study℠ released today.

The study, now in its 29th year, measures satisfaction with the sales experience among new-vehicle buyers and rejecters—those who shop a dealership and purchase elsewhere. Buyer satisfaction is based on four factors: working out the deal (17%); salesperson (13%); delivery process (11%); and facility (10%). Rejecter satisfaction is based on five factors: salesperson (21%); fairness of price (8%); experience negotiating (8%); facility (7%); and variety of inventory (7%). Satisfaction is calculated on a 1,000-point scale. Overall sales satisfaction improves to 688 in 2015 from 686 in 2014.

Given an increasingly tech-savvy consumer, dealerships that integrate technology tools into their sales process deliver a superior customer experience. Dealers that fail to invest in consumer-facing technologies risk being trumped by competitors. According to the study, among both non-premium and premium buyers, use of tablets by sales personnel to perform such tasks as record customer vehicle needs, demonstrate vehicle features and display pricing information yields higher satisfaction with technology usage than when a tablet is not used (8.12 vs. 7.02 and 8.63 vs. 7.52, respectively, on a 10-point scale). Notably, handwritten price quotes have a negative impact on buyer satisfaction with technology usage, with a -0.55 point gap in satisfaction between non-premium buyers when this method is used and when it is not and a -0.45 gap between premium buyers.

Finance and insurance (F&I) products, such as extended warranties, pre-paid maintenance contracts and tire/road hazard protection are not only highly lucrative for dealers, but satisfaction is also higher among customers who are offered these options. For example, among non-premium owners, satisfaction is 46 points higher when a dealer offers them a pre-paid maintenance contract vs. when they do not (788 vs. 742, respectively), and among premium buyers the gap is 26 points (827 vs. 801). Moreover, when F&I product and pricing/payment options are presented on a computer or tablet screen, satisfaction is higher than when any other method is used, including printed materials, verbal quotes/descriptions and handwritten figures.

"With retail vehicle sales in the United States in 2015 forecast to reach 14.2 million units[1] and this positive momentum expected to carry into 2016, dealers face challenges in properly servicing a high volume of new-vehicle buyers who are increasingly tech savvy," said **Chris Sutton, vice president of the automotive retail practice at J.D. Power**. "Dealerships should understand that customers want and trust technology and that it can enhance efficiencies. Dealers that disregard it may risk being left behind in 3-5 years. Customers are experiencing interesting uses of technology in many of their other retail transactions—and now expect this in auto."

[1] The Power Information Network® (PIN) from J.D. Power

Gen Y[2]—the single most impactful generation on all markets due to numbers and purchase power—is among the buyers flocking to car lots and accounts for 29%[1] of new-vehicle retail sales. Furthermore, average transaction prices for new vehicles exceed $30,000.[1] “There is every incentive for dealers to use the most effective tools available to satisfy customers and build a relationship with them during the initial purchase process. This relationship should translate quickly into future service business. Implementing tools and processes that meet the needs of Gen Y will ultimately benefit all consumers,” said Sutton.

Following are some of the key findings in this year’s study:

- **Sales Staff Remain Vital to Sales Experience:** The most impactful sales satisfaction key performance indicator (KPI)—best practice—is interacting with a salesperson who understands the customer’s needs completely (+106 points). Such salespersons are good listeners, ask relevant questions and are able to deliver on customer requests. This KPI demonstrates that even with the growing prevalence of online communications and emphasis on an efficient transaction, the salesperson still plays a key role.
- **5 of Top 10 KPIs Relate to Working Out the Deal:** Among the most impactful KPIs are five that involve making customers feel comfortable (not pressured) and confident they are receiving the most transparent and up-front information to aid their decision-making while at the dealership. Delivering on these best practices improves satisfaction and builds loyalty and advocacy.
- **Gen Y Equally Interested in Safety and Protecting Vehicle Value as Other Generations:** Among generational groups, Gen Y is as likely to purchase F&I products as other generations. For example, by generation, the following proportions of customers purchase tire/road hazard protection: Gen Y (21%); Gen X (21%); Boomer (20%); and Pre-Boomer (20%).

Brand Sales Satisfaction Rankings
Porsche ranks highest in sales satisfaction among luxury brands, with a score of 752, improving by 14 points from 2014. For a sixth consecutive year, **MINI** ranks highest among mass market brands, with a score of 762, a 35-point increase from 2014.

The 2015 U.S. Sales Satisfaction Index (SSI) Study is based on responses from 27,831 buyers who purchased or leased their new vehicle in April or May 2015. 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 between July and September 2015.

Learn more about the 2015 U.S. Sales Satisfaction Index (SSI) Study at
http://www.jdpower.com/resource/us-sales-satisfaction-index-ssi-study

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[2] J.D. Power defines generational groups as Pre-Boomers (born before 1946); Boomers (1946-1964); Gen X (1965-1976); Gen Y (1977-1994); and Gen Z (1995-2004).

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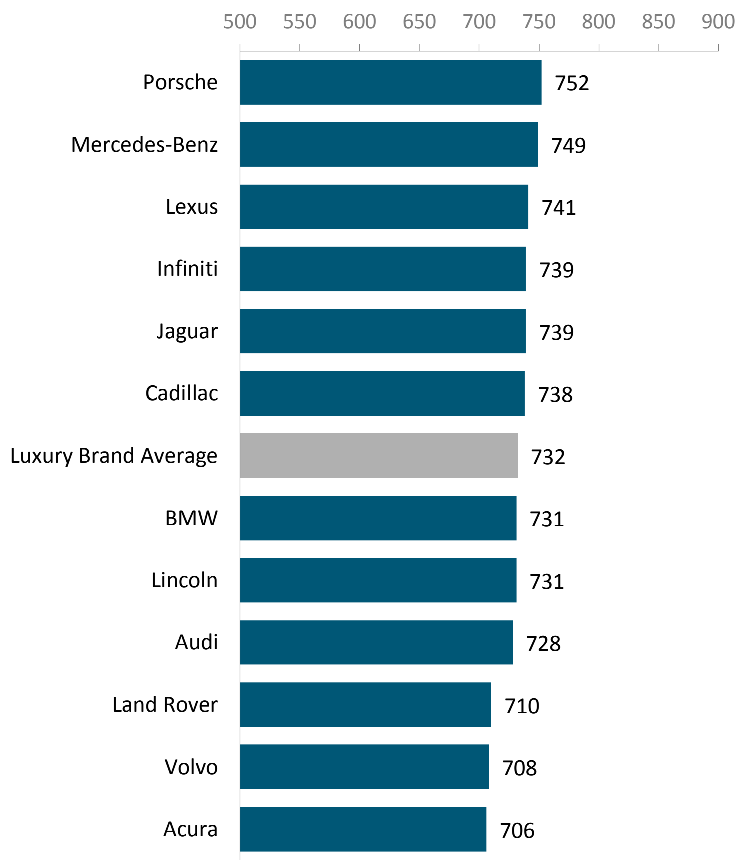
NOTE: Two charts follow

J.D. Power
2015 U.S. Sales Satisfaction Index (SSI) Study℠

Sales Satisfaction Index Ranking
Luxury Brands

(Based on a 1,000-point scale)

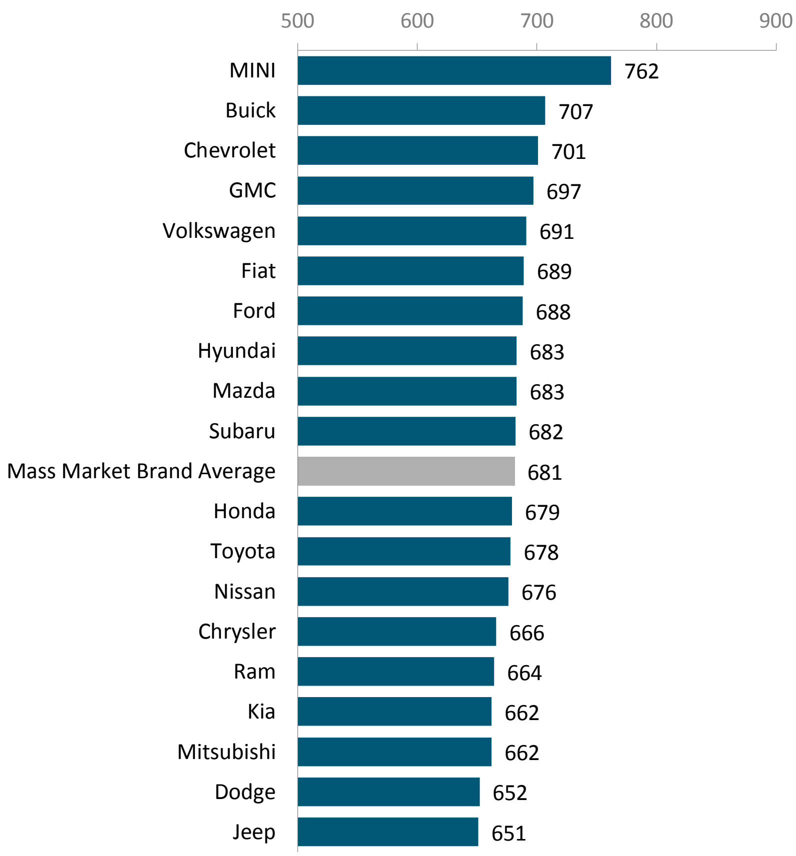


Source: *J.D. Power 2015 U.S. Sales Satisfaction Index (SSI) Study℠*

J.D. Power
2015 U.S. Sales Satisfaction Index (SSI) Study℠

Sales Satisfaction Index Ranking
Mass Market Brands

(Based on a 1,000-point scale)



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

Source: *J.D. Power 2015 U.S. Sales Satisfaction Index (SSI) Study℠*