

Press Release

J.D. Power Reports:

The Prevalence of Vehicle Owners with Maintenance Packages Continues to Increase, Which Benefits Auto Dealers and Brands Through Higher Loyalty and Repurchase Rates

Cadillac Ranks Highest among Luxury Brands for Customer Satisfaction with Dealer Service;
Buick Ranks Highest among Mass Market Brands

WESTLAKE VILLAGE, Calif.: EMBARGOED UNTIL 1 pm ET 9 April 2014 — The percentage of vehicle owners with complimentary or prepaid vehicle maintenance packages has more than doubled during the past five years, which benefits dealers and manufacturers through higher loyalty and repurchase rates, according to the J.D. Power 2014 U.S. Customer Service Index (CSI) StudySM released today.

The study measures customer satisfaction with service at a franchised dealer facility for maintenance or repair work among owners and lessees of 1- to 5-year-old vehicles.

According to the study, 68 percent of luxury vehicle owners and 46 percent of mass market brand owners indicate their vehicle was covered under either a complimentary or prepaid maintenance package during the first year of ownership, compared with 35 percent of luxury and 15 percent of mass market brand owners in 2009. Maintenance packages help drive higher repurchase rates among owners, with 72 percent of those who have a complimentary or prepaid maintenance package repurchasing the same vehicle make on their next purchase, compared with 62 percent who did not have a maintenance package.

“Maintenance packages—whether they’re complimentary or paid for by owners—create a long-term relationship between the customer and dealership, which, when coupled with satisfying service experiences during that period, can have a very positive impact on loyalty rates,” said Chris Sutton, senior director of the U.S. Automotive Retail Practice at J.D. Power. “Maintenance packages help capture a higher percentage of service visits, and since customers with these plans are predisposed to purchase such items as batteries, brakes and tires from the dealer even after their plan expires, dealers retain key revenue opportunities for service and repairs.”

Highest-Ranked Nameplates

Two GM brands perform highest in the segment rankings in 2014. Cadillac ranks highest in satisfaction with dealer service among luxury brands, achieving an overall CSI score of 872 on a 1,000-point scale, an increase of 14 points from 2013. Rounding out the five highest-performing nameplates in the luxury segment are Audi (868); Lexus (867); and Infiniti (865) and Lincoln (865) in a tie.

Buick ranks highest among mass market brands, with an overall CSI score of 835—a 26-point improvement from 2013. Following Buick in the mass market rankings are Volkswagen (830); GMC (828) and MINI (828) in a tie; and Chevrolet (812).

KEY FINDINGS

- Customer satisfaction with dealer service continues to increase. Among luxury brands, overall customer satisfaction with service at a dealer facility averages 855, up from 846 in 2013. The CSI average among mass market brands is 797, up from 789 in 2013.

- Six of the top 10 key performance indicators for CSI involve service advisor-related best practices, including being focused on customer needs; providing helpful advice; and keeping the owner updated about the status of their vehicle.
- Industry-wide, vehicle owners use ratings and review websites to select a dealer for service 17 percent of the time and social networking sites 15 percent of the time. Owners of traditional domestic U.S.-brand vehicles use social networking sites at a much higher rate to help select a dealer, while owners of non-U.S.-based brands use ratings and review sites at much higher rates.
- The use of digital tablets during service interactions can have a positive impact on customer satisfaction. The industry-wide CSI score when a tablet is used is 838, compared with 802 when a tablet is not used. Tablets are used more frequently by service advisors in the luxury vehicle segment (19% of the time) than in the mass market segment (15%).

The 2014 U.S. CSI Study is based on responses from more than 90,000 owners and lessees of 2009 to 2013 model-year vehicles. The study was fielded between October and December 2013. J.D. Power measures dealer service in various countries around the world, including Australia, Brazil, China, Germany, India, Indonesia, Japan, Malaysia, Mexico, the Philippines, Taiwan, Thailand and Vietnam.

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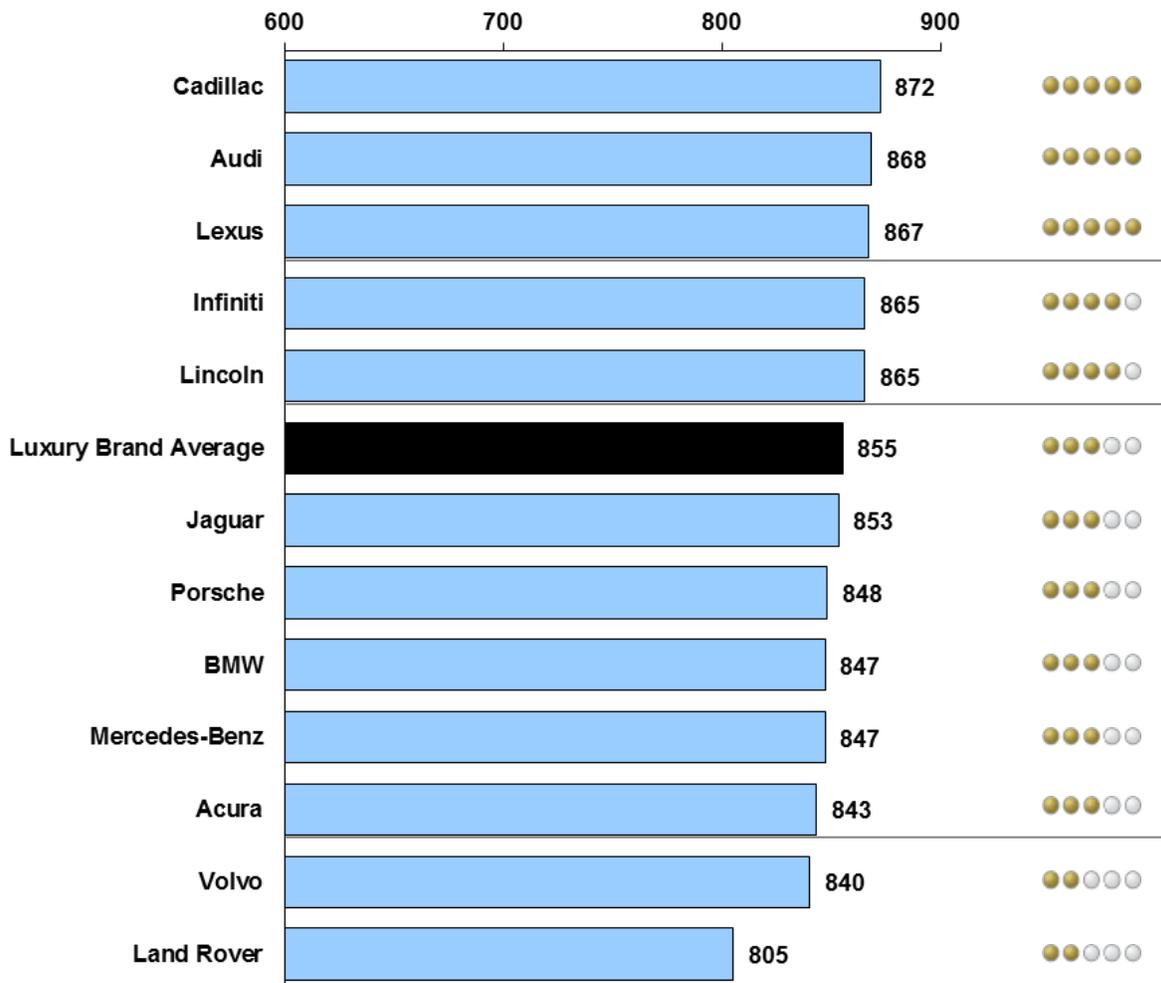
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Note: Two rank charts follow.

J.D. Power 2014 U.S. Customer Service Index (CSI) StudySM

Customer Service Index Ranking Luxury Brands (Based on a 1,000-point scale)

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Power Circle Ratings™
for consumers:



Power Circle Ratings Legend

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

Note: Tesla is included in the study, but is not ranked due to non-representative sample.

Source: J.D. Power 2014 U.S. Customer Service Index (CSI) StudySM

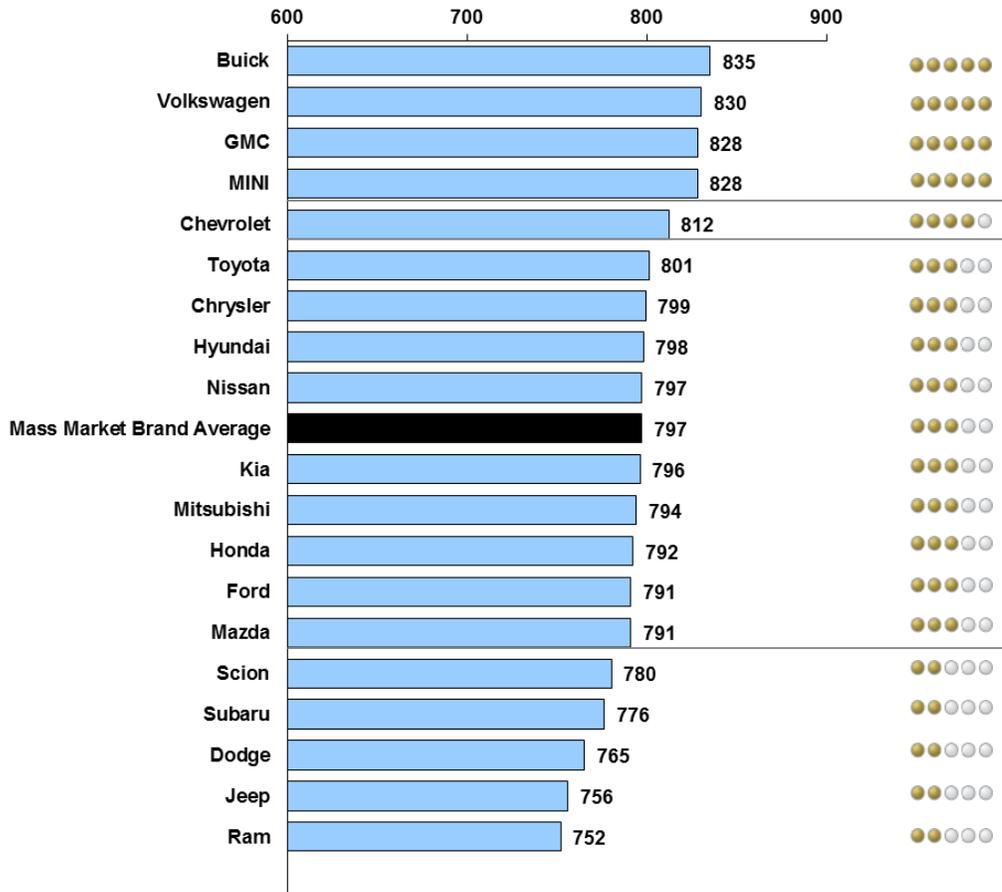
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J.D. Power 2014 U.S. Customer Service Index (CSI) StudySM

Customer Service Index Ranking Mass Market Brands

(Based on a 1,000-point scale)

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Note: Included in the study, but not ranked due to non-representative sample is smart. Fiat is not ranked because it does not have vehicles across the three model-year spectrum.

Source: J.D. Power 2014 U.S. Customer Service Index (CSI) StudySM

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