



Dealership customer engagement report 2021



Welcome

Hello, and welcome to this, the first dealership customer engagement report run by Autino.

Executive summary

Andrew Mortimer, General Manager, Autino



Our aim with this report is to understand how both dealerships and their customers view the current landscape of communications, service and engagement at dealerships. After all, any dealer knows that the quality of service they provide is one of the pillars of their success. Get it right, and you have loyal customers who recommend you to their families, friends and peers. Get it wrong, and you'll lose customers to the competition, as well as limit your ability to win new business.

The aim of this report, simply, is to help dealers understand how they can get it right. Our ambition is for this to become an annual report that takes the temperature of the sector, both from the perspective of dealerships and the perspective of their customers. Over time, we'll be able to track rising and falling trends in what makes great service (and what blockers there are to achieving that level of service), making each report more valuable than the last.

Returning to the here and now, though, and there are some fascinating insights to share with you. We've identified five key findings: first, that customer expectations are definitely rising when it comes to customer service and the quality of a dealership's communications. Second, dealers are keen to deploy communications tools that are both easy to use and that keep a detailed audit trail of conversations – the benefits of which are many. Third, providing tailored and personalised services to customers is essential to winning their loyalty – but fourth, that existing tools are making it difficult for dealers to live up to these new expectations.

Our final key finding was that digital tools may hold the answer for dealerships looking to get ahead this year. They offer dealers a route to communicate with customers in the way they

want to be communicated with – even at scale – enabling dealers to provide winning service that keeps customers coming back for more.

That's enough from me now – I hope that you enjoy reading this report and find the information in it useful. Please let me or my team know if you have any feedback – otherwise, I wish you the very best for the year ahead.

	Research methodology
1	Customer expectations are rising
2	Easy, auditable communication is paramount
3	Personal service is key to loyalty
4	Current tools don't address the customer challenge
5	Digital solutions could ease time pressure and boost satisfaction

Research methodology

When conducting our research, we had two priorities:

- 1 To make sure we caught the perspectives of both dealerships and their customers
- 2 To get statistically significant information that would allow us to say with certainty that our findings were representative of the UK as a whole

With that in mind, we started by conducting 15 in-depth interviews with UK dealerships of varying sizes and locations. From these discussions, we uncovered key customer challenges that these dealerships were facing; these formed the basis of our quantitative research.

Qualitative research



15
in-depth
phone interviews
with UK dealerships

Quantitative research

Our quantitative research consisted of two questionnaires: **one for dealerships** and **one for customers**. Our questions were designed to dig further into the challenges around customer service that our qualitative research had uncovered; specifically:

- Did other dealerships see these challenges?
- Did these challenges ring true from the customer perspective?
- How did dealerships rate the importance of the issues we were discussing?
- How did dealerships rate their performance against those issues?

We needed 146 responses from **dealerships** to be 95% confident +/-8% that our answers were representative of the whole UK

We got 173

We needed 384 responses from **customers** to be 95% confident +/-8% that our answers were representative of the whole UK

We got 521

Statistically significant data

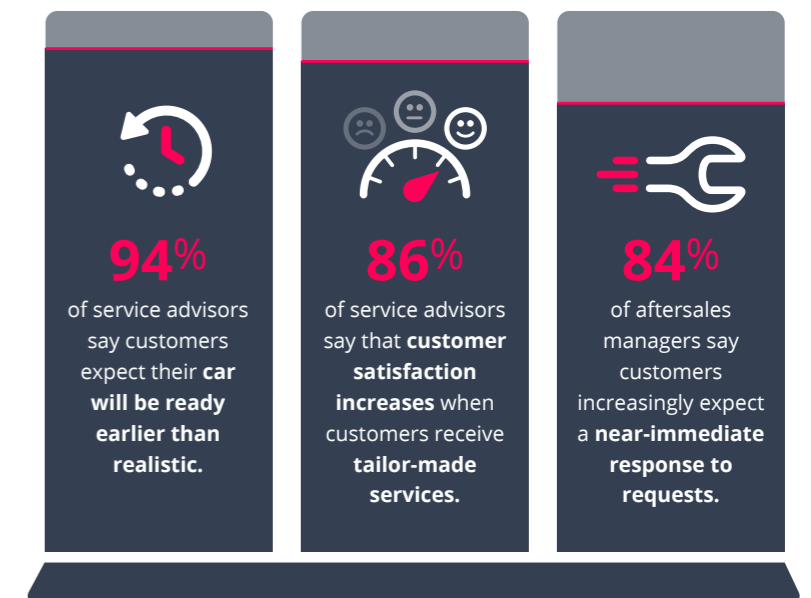
One of the most exciting things about our research is that the numbers of people we interviewed mean that our data can be considered highly representative of the whole UK. That means that the conclusions we draw from our research can be trusted by dealerships up and down the country as a benchmark for their own operations, and as a blueprint for how to optimise their operations to improve customer satisfaction.

Who did we survey? To see the demographics of our survey sample, please refer to the appendix at the back of this report

Customer expectations are rising

OK – so when have customers been anything BUT demanding? Meeting customer expectations has always been the name of the game for dealerships – but our research says that 86% of aftersales departments felt that customer expectations were *rising* in 2020.

So customers are becoming even more demanding than usual. The question is: **what are they demanding?** Our research indicates that **dealerships are experiencing increasing expectations around communications, and the quality of customer service they see from their dealership:**



What's driving this trend?

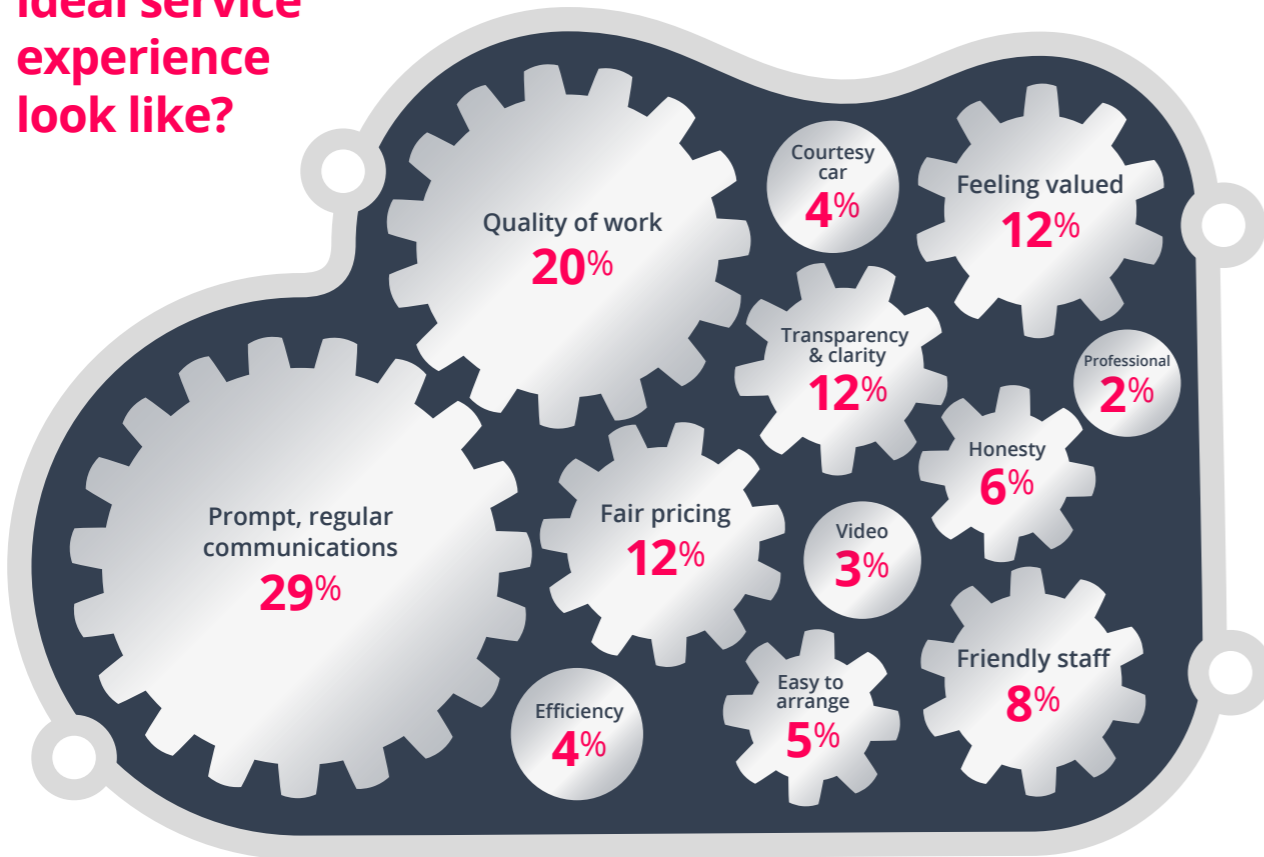
In almost every other area of their lives, customers are used to fast, personalised services. They can do their shopping online, seeing personalised recommendations for products. They can access their bank online, make transactions in seconds, and many offer personalised offers on financial products or consumer discounts. Fitness trackers show people instant information on their heart rate, steps and calories burned – and offer them tailored recommendations to improve their health.

Customers these days can access information, products and services in the blink of an eye, tailored to their needs and interests. It seems that these expectations are starting to be set of dealerships, too.

Our customer survey data returned similar results. When choosing where to have their car serviced, prompt and regular communication was rated as the most important factor for customers at 29%.

86%
of aftersales departments feel that customer expectations are rising.

What does the ideal service experience look like?



When asked to rate the importance of various criteria when choosing a garage, 90% of dealership customers said that “the responsiveness of the service team when I have a query” was ‘very important.’ This was higher than both independent garage and fast-fit customers, indicating that the responsiveness challenge is one that’s amplified for dealerships. 72% of dealership customers also rated “the ability to communicate digitally” as ‘very important’ – significantly more than independents (45%) and fast-fits (53%).

Communication vs. quality

It’s extremely interesting to note that when asked about their ideal service experience, customers mentioned communications just as much, if not more often, than the quality of the work. It raises the question of how customers perceive ‘quality.’ As car systems have grown more electrical and engines more complicated, customers are less and less able to identify

issues themselves (beyond “it sounds funny” or “this light has come on”). The question has to be asked: if customers can’t identify technical issues with their car accurately, how can they judge the quality of the work that’s been done?

One answer is that customers are starting to conflate quality of *repair* with quality of *service*. After all, the only clues a customer has about the quality of your work are in how you deal with them – do you sound knowledgeable, do you explain what work you’ve done on their car, do you take the time to make them feel valued?

This is not to say that the quality of your mechanics’ work is in question – only that car systems have progressed to a point where customers can’t assess the quality of a repair beyond “is my problem fixed” and “does the car break down again soon after?” It means that the service you provide customers is just as important as the quality of the work you do in terms of customer satisfaction.



The lockdown effect

It would have been foolish not to ask dealerships about the impact of lockdown on their relationship with customers. What was interesting is that 81% of dealerships agreed that post-lockdown, customers were expecting more contact-free options from the business. Obviously, these questions were written before the UK was put back in lockdown in January 2021 – but the results are still telling.

Of course, some of the drive for contact-free options for interacting with a dealership will be driven by anxieties around infection – certainly in the short-term as the UK emerges from lockdown with the virus still active in the population. However, organisations and people everywhere are discovering that the new way of doing things is often preferable to the old way. Most businesses have used lockdown to rapidly

test and deploy new ways of communicating and doing business with their customers that aren’t just Covid-secure; they’re more efficient and more in line with how customers want to interact with them.

Dealerships who are still viewing their contact-free solutions as a temporary way to get through the pandemic, may well be advised to reconsider – those solutions could be the basis of a more streamlined way of doing business with your customers.

So, we have dealerships experiencing increasing demand for prompt communications, and customers who are ranking communications as one of their most important criteria for selecting a dealership. What should dealerships do about it?

Easy, auditable communications are essential

If dealerships are going to enable the kind of communications that customers want to see, it logically follows that making communications easy has to be a priority. But what does 'easy' mean?

We know that customers are keen to use digital channels to communicate with the dealership – so digital has to be a part of it. But our dealership research painted a more detailed picture.

83%	93%	93%	86%
of aftersales managers agree that keeping track of how, when and why customers engage with them is key to improving their satisfaction (61% strongly agree).	of aftersales service advisors strongly agree that slow response time is a significant factor in customer dissatisfaction.	of aftersales depts say that having an audit trail of all communication is valuable.	said that it should be easy for anyone to engage with a customer.

The research shows us that dealers are envisioning a world where they can respond to customers faster, keep an audit trail of what was said and when, and where communications can be picked up by anyone

instantly. For the dealership, this style of communications enables the dealership to serve more customers, faster, without having to hire more staff.

What's a communications audit trail?

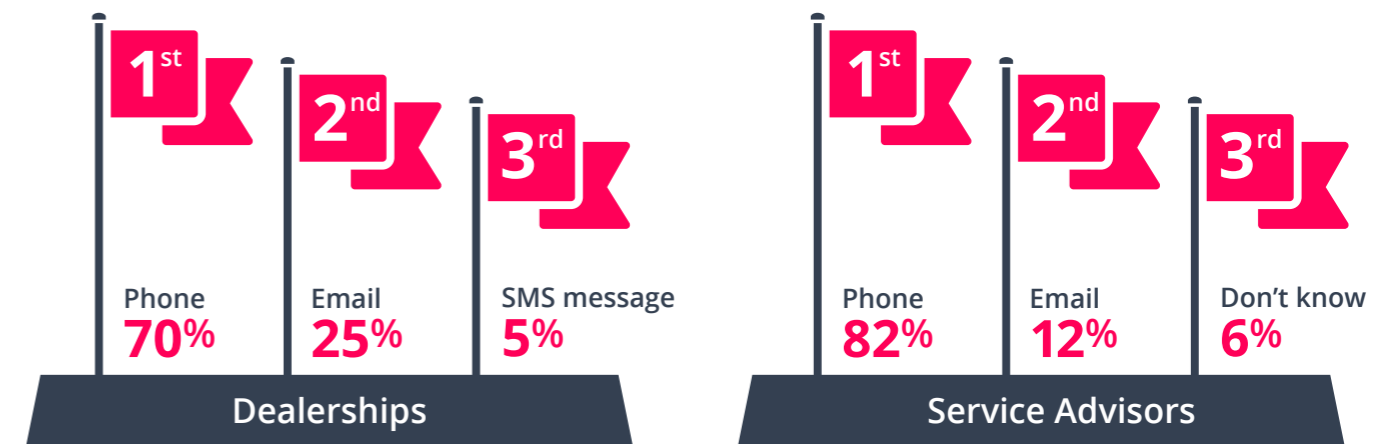
A communications audit trail is simply a record of your communications. It should detail what exactly was said by customers, and by your service advisors, and when it was said.

There are multiple advantages to keeping these records. Firstly, it enables anyone in your business to instantly discover what conversations a customer has had with your dealership. This is extremely useful if a service advisor is dealing with a customer who spoke to someone else earlier; the audit trail shows them what has already been discussed and means they can give the customer useful information faster.

Secondly, in the unfortunate event that a customer complains about your dealership, you can consult the audit trail to get a clear picture of what was said and when. Audit trails can protect against unfounded complaints – or allow you to quickly identify and remediate situations where something has gone wrong.

Finally, audit trails can be analysed to identify common topics that can inform online FAQs, or service advisor training, to further improve customer satisfaction.

Top 3 communication methods in dealerships

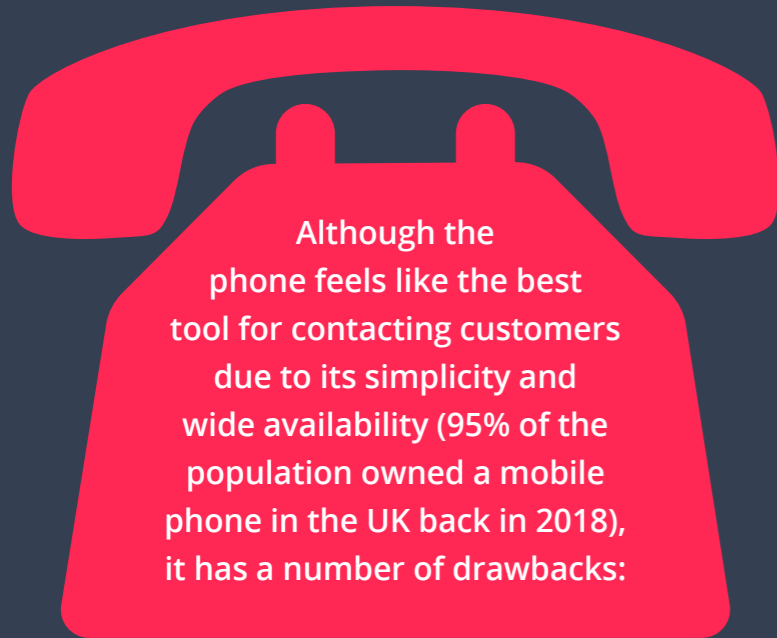


Where are dealerships on the journey to easy communications?

It's clear that dealers have a vision for what they want their customer communications to be like. But how close are they to achieving that vision?

The answer, it seems, is not very near at all. Crucially, 70% of dealerships said that the phone is their primary method of contact, and interestingly, this number goes up to 82% when looking just at service advisors. It seems that the phone isn't an easy habit to shake.

There are multiple advantages to keeping records of your communications.



Although the phone feels like the best tool for contacting customers due to its simplicity and wide availability (95% of the population owned a mobile phone in the UK back in 2018), it has a number of drawbacks:

- Phone conversations rely on both parties being available at the same time.
- Phone conversations are much slower as a way of communicating than typing – meaning that for simple conversations the phone is a time-waster.
- It's very difficult to continue multiple conversations on the phone without seriously compromising customer experience (nobody enjoys being put on hold, after all).

We also know that 72% of dealership customers are interested in using digital tools to communicate with the dealership. So not only are phones a sub-optimal tool for communicating; they're not in line with customer expectations around communication either.

Why the reluctance to switch?

To some extent, of course, apathy will be driving the trends we're seeing – it's easier to stick with what you know than to try something new, after all. Beyond that, the reason so many dealerships are still reliant on the phone (and, to a lesser extent, email) seems to be a lack of other tools for communicating. We'll come on to this in more detail later in the report, but for now it's important to note that, in particular, dealers were not optimistic about the usefulness of their DMS as a communication tool. When asked to score how well they agreed with the statement "my dealership management system provides effective communication tools," the average score



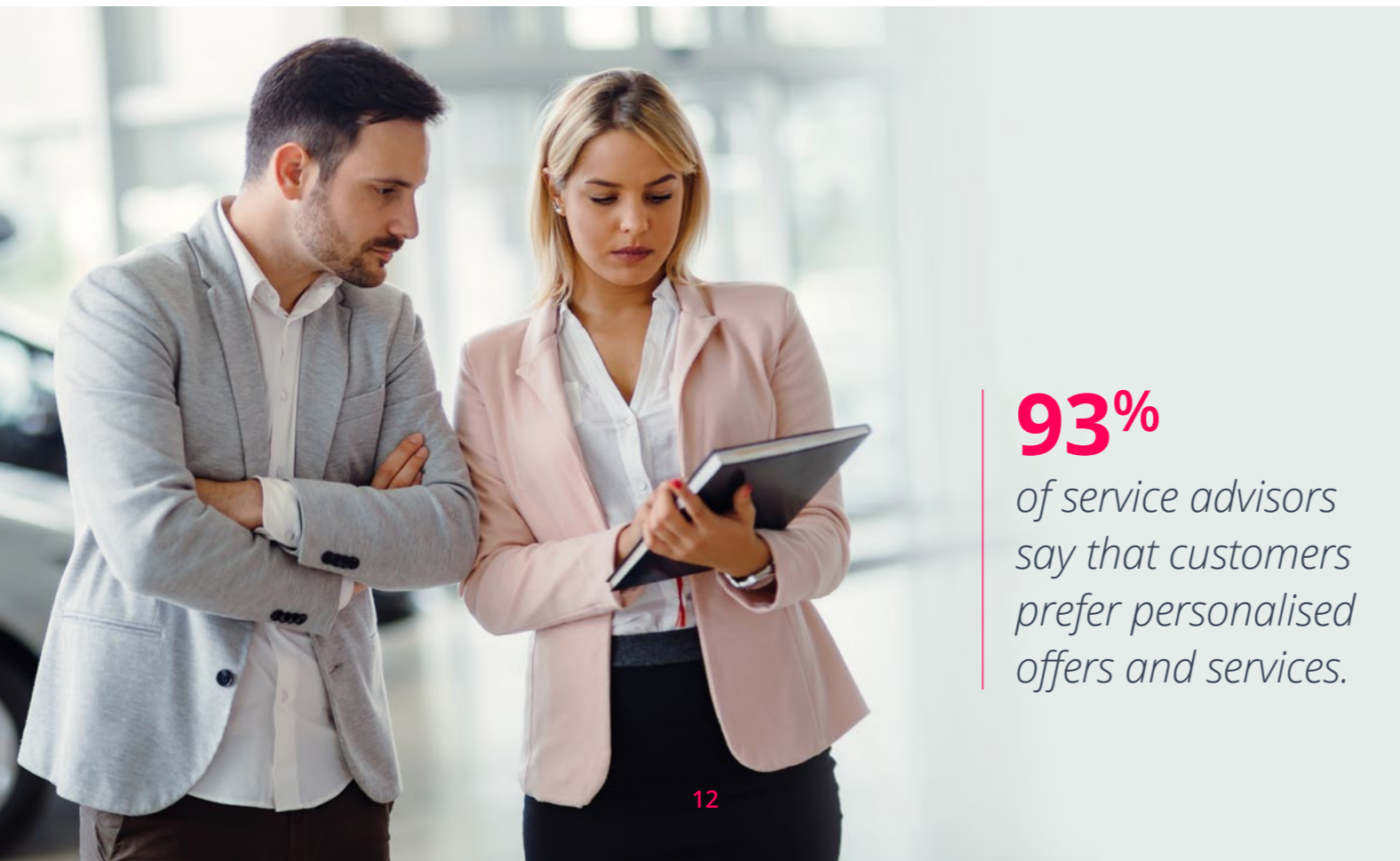
72%
of dealership customers are interested in using digital tools to communicate with the dealership.

Personal service is key to loyalty

This was one of the biggest things to come out of our qualitative research with dealers, and so it was something that we tested hard with our wider dealership and customer research. To be clear, when we talk about 'personal service' here we are talking about more than simple touches to make customers feel like a person and not a number. We're talking about service that feels tailored to the customer's individual needs and lifestyle.

Among our dealers, our research showed that most dealerships do indeed find that a personal service breeds customer loyalty. 88% of dealerships said that customers value their personal approach, and 93% of service advisors say that customers prefer personalised services and offers.

Customers, it seems, also value a personalised service. Among the things that customers want to see in their service experience, many of those focus on flexibility and personalisation.



93%
of service advisors say that customers prefer personalised offers and services.

Important attributes when taking the car for a service

Attribute	% who rated it 'very important'	Average importance score out of 10
High level of customer service	90%	9.12
Responsiveness of the service team when I have a query	90%	9.09
Getting a premium service	76%	8.48
Getting frequent updates on the progress of the work on my car	75%	8.45
Getting reminders about future work needed and booking it online	75%	8.32
Able to communicate digitally with the dealer	72%	7.98
Convenience/near my home or work	71%	8.27
Being able to see my vehicle details and history with the garage	63%	7.54
To have offers relevant to me	61%	7.71

Customers are keen for a personal, flexible and communicative service from their dealership.

How to deliver?

The challenge for dealers is how to deliver service with a personal touch, at scale. After all, most dealerships aim to grow their customer base – but as the volume of customers grows, the harder it is to add the personal touches to a customer's experience.

This was borne out in our research: 57% of dealerships agree that customer satisfaction decreases as the dealership gets busier. And in fact, that number goes up if you ask service advisors: 66% of them agreed the same.

57%
of dealerships agree that customer satisfaction decreases as we get busier.

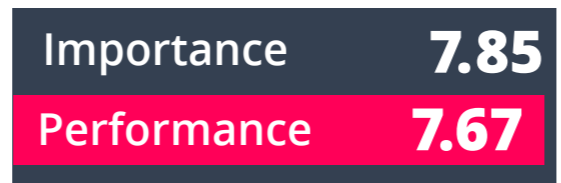
We also asked dealers to rate the importance of various issues – and their ability to deliver on those issues. Those questions revealed some interesting gaps, where dealerships rated their performance in an area as worse than that issue's relative importance:



My customers value the personal approach that our service advisors offer.



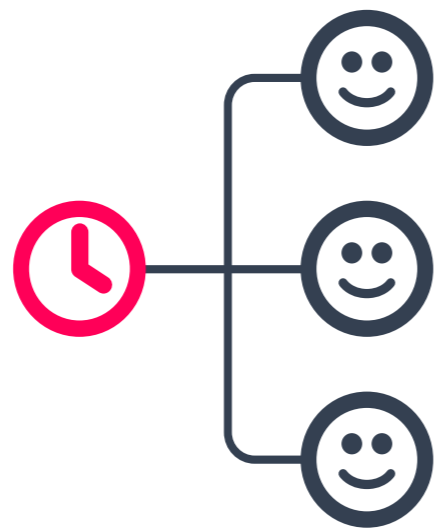
The relationships that advisors build with customers are crucial to customer satisfaction.



Dealers know that personalisation is important – but their performance in these areas doesn't match the importance of the issue.

The key to improving on these issues, it seems, is time. Dealers need to find a way of providing a personal service to customers faster, enabling them to maintain service levels as customer volumes rise.

Referring back to the stats from our customer research, it's worth noting that many of the attributes of a service that customers are keen for rely on high quality communication. So, in solving the challenges around communications that we've already highlighted in this paper, it's likely that not only will customer satisfaction improve – so will customer loyalty.

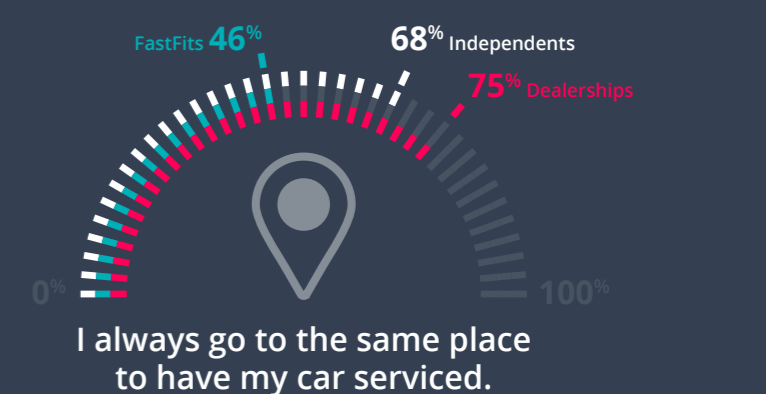
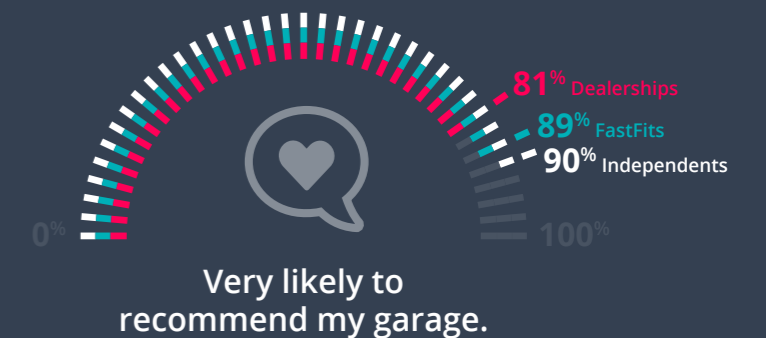


How loyal are dealership customers?

On the face of it, dealership customers are the most loyal out there. Our research indicates that 96% of dealership customers either 'always' or 'usually' go to the same place to get their car serviced; 81% are 'very likely' to recommend their garage to a friend or family member, and 82% were 'very satisfied' with their last visit.

However, our research also revealed that there's room for improvement: these scores, though impressive, were the worst of the three garage types we spoke to (dealerships, independent garages, and fast-fit garages) – and dealers have the highest number of customers saying they were very dissatisfied, and very unlikely to recommend their garage. Furthermore, when we asked dealership customers to explain why they gave the score they did, less than 5% of our respondents mentioned any sort of loyalty to their dealership – most mentioned a service plan, or maintaining the full service history of the car.

What it looks like is that many dealership customers are returning out of a sense of obligation, rather than loyalty. It's a commonly held belief by customers that their warranty, or their service history, is only valid if they use their OEM dealership. And while this belief works in the favour of dealerships in the short term, it doesn't build long-term loyalty. In fact, should customers discover that they don't have to remain with the dealership, they may feel a sense of resentment that this wasn't made clear, making them more likely to defect to a more convenient garage that offers better service.



Figures look good for dealership loyalty... but independents and fast-fit garages outshine dealerships on satisfaction and recommendations

What makes a great service? Customers say...



Great communication about the stage my car was in, when it could be collected etc. I want to feel happy to be a customer.



Service should be quick, professional, and with constant communication about the service.



I'd like to be informed as soon as the work has been completed, and told when the car will be ready for collection.



The dealership should be transparent about the work and cost of repairs so the customer is satisfied with the price.



The dealer should always be easy to contact. Always call before proceeding with extra work and always explain clearly.



I would like the ability to book in online.



Being sent videos and a report about the service, detailing extra work.



A prompt update when the service had been completed rather than a call an hour before closing to say the car is ready to be collected.



Quick appointment times, confirmation of appointment, quick check-in process, updates on service via app or message, contact if more work needs done, quick turnaround time.



I would like to be reminded that a service is due, I would like them to pick up and return my car and I would like to be able to follow how my car is doing in an app.



Always explain everything and don't just increase the price without discussing it with me first.



Current tools don't address the customer challenge

So far we've identified that:

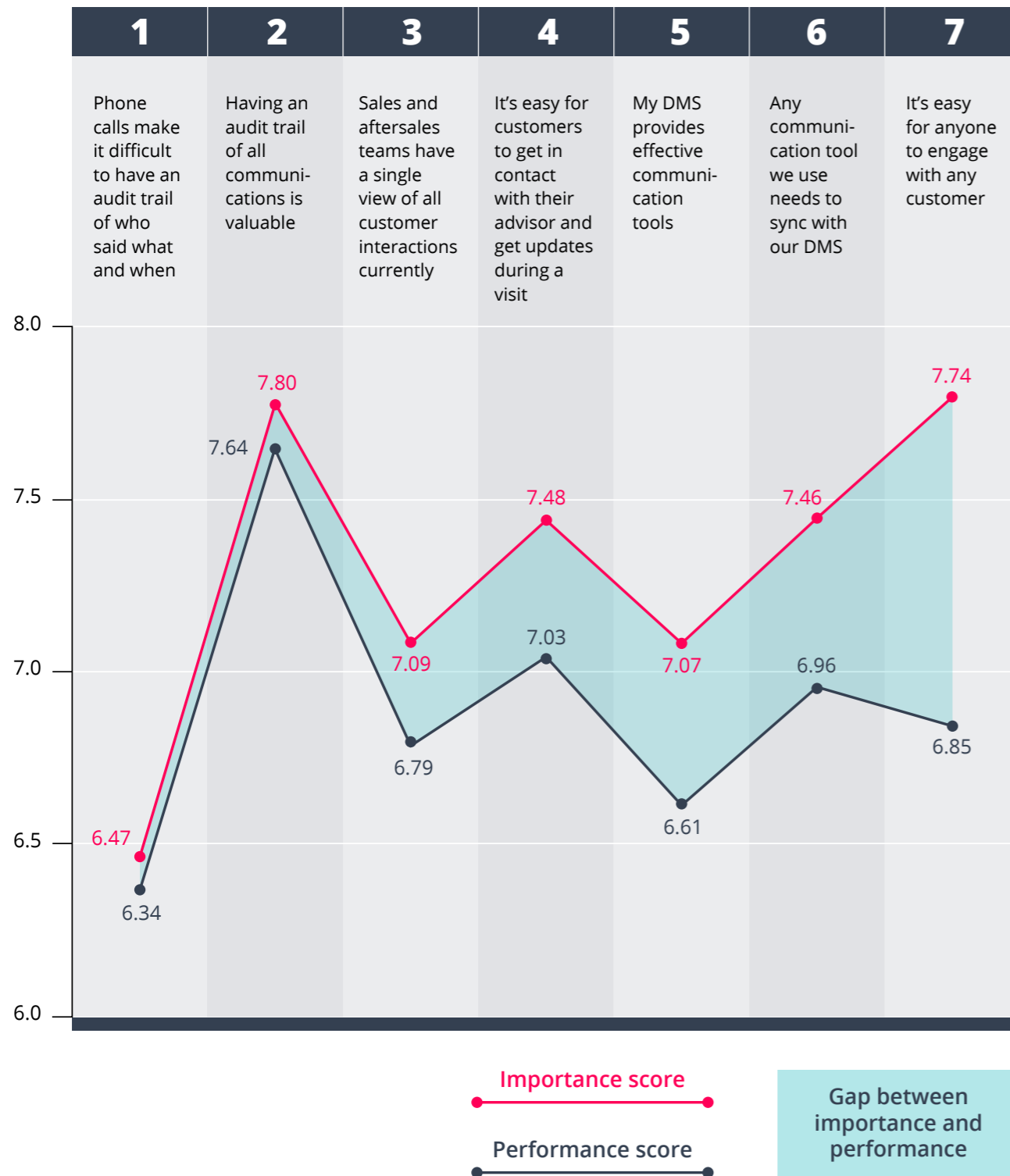
- Customer expectations are rising, particularly around the communications and the service they receive from dealerships.
- Easy and auditable communications are paramount – yet 82% of service advisors are still reliant on the phones for communicating with customers.
- A personal service is key to increasing customer loyalty – but again, dealers are a way behind where they want to be.

It's apparent from our research that the main reason that dealerships are struggling to meet customer expectations is a technological one. We know that dealers recognise the importance of the challenges they face; we also know that they are aware that their systems aren't up to scratch. Similar to the gap analyses we looked at in the previous section, we asked dealers to rate the importance of various statements, and their ability to execute against them:

58%

of dealerships agree that customers expect more communication before their visit than they currently provide.

Dealerships are falling behind when it comes to communications



What's in a tool?

The gap analysis shows a few things that dealers should look out for when evaluating new tools:

It should be easy, both for customers and for service advisors to use. An intuitive design that enables customer to easily get in touch with someone, and enables service advisors to simply manage the conversations they're having with customers.

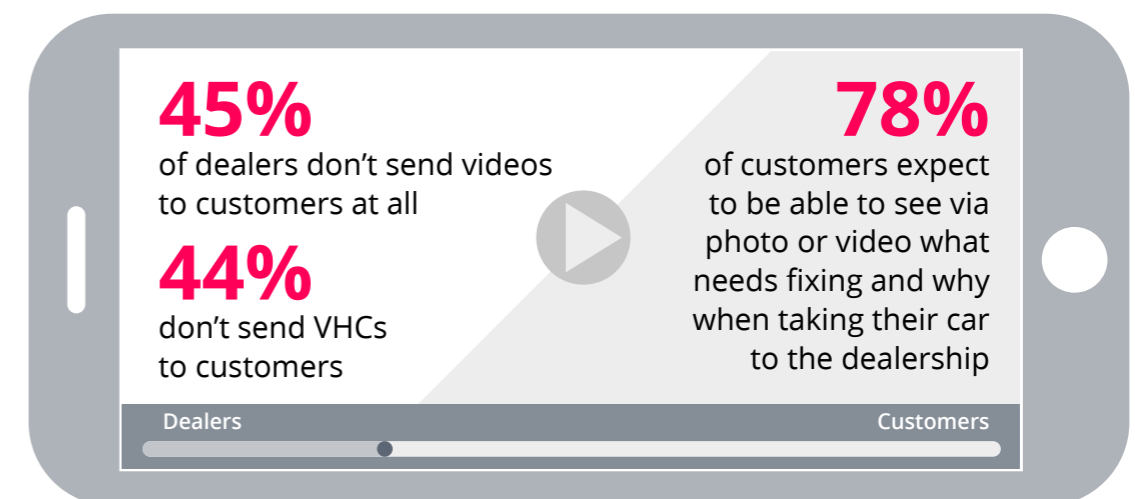
It should be integrated into the DMS, giving service advisors and sales teams a complete view of the customer when they are talking to them. This will enable service advisors to give the customer more information, providing a more satisfying service.

It should be auditable, bringing all the benefits of an audit trail that we've already discussed.

A tool that ticks all these boxes should help dealerships to give the kind of service that customers are expecting – fast, informative, and hassle-free. Importantly, the right tools will help dealers do this even as they scale their operations and deal with more customers. We know that dealers already agree that customer satisfaction decreases as they get busier, likely because existing tools are relatively time-consuming for aftersales to use; when

they get busy, the cracks start to show. But if communications can be made quick and easy for service advisors, they can provide more customers with great quality service in the same amount of time.

On top of this, we also know that there are some communications features that many dealers aren't currently using, which customers would love to see – chiefly around video.



The thing about phones

You may have noticed when looking at the gap analyses we did, that there's an interesting discrepancy when it comes to phones and audit trails. Dealers agree that having an audit trail is valuable, rating it 7.8/10. However, they rate "Phone calls make it difficult to have an audit trail" as 6.47/10. What's the difference?

To be candid, part of the discrepancy comes from the wording of the question, which is something we'll look at when we run the survey next year. But it's fair to say that the data indicates a knowledge gap for dealers – they know that audit trails are important, but they also think that phones don't present a challenge to having an audit trail.

This may be because their service advisors can make notes in the DMS or CRM when they speak to customers on the phone. But this relies on the advisor remembering to make the note, and on them being able to accurately recall the details of the conversation when writing up the note. As you can imagine, when things get busy, it's possible that some hours pass between an advisor taking a call and logging it in their system, or they forget to log it entirely.

It's essential that dealers realise the limitations of maintaining an audit trail in this way. Looking at tools that enable dealers to maintain a completely accurate record of every customer interaction – preferably without any manual intervention from the service advisor – will make the audit trail much more effective for improving customer service and dealing with enquiries or complaints.



Digital solutions could ease time pressure and boost satisfaction

Encouragingly, our survey revealed that dealers are keen to overcome the challenges they face when providing the kind of service customers are demanding. Specifically, they are interested in solving those challenges using digital methods of serving and communicating with customers. In addition to this, we found that 81% of dealerships believe that *automated* communications have the potential to make life easier for service advisors and provide better service to customers – an indication that dealers aren't just dabbling with digital, but are ready to jump in with both feet.

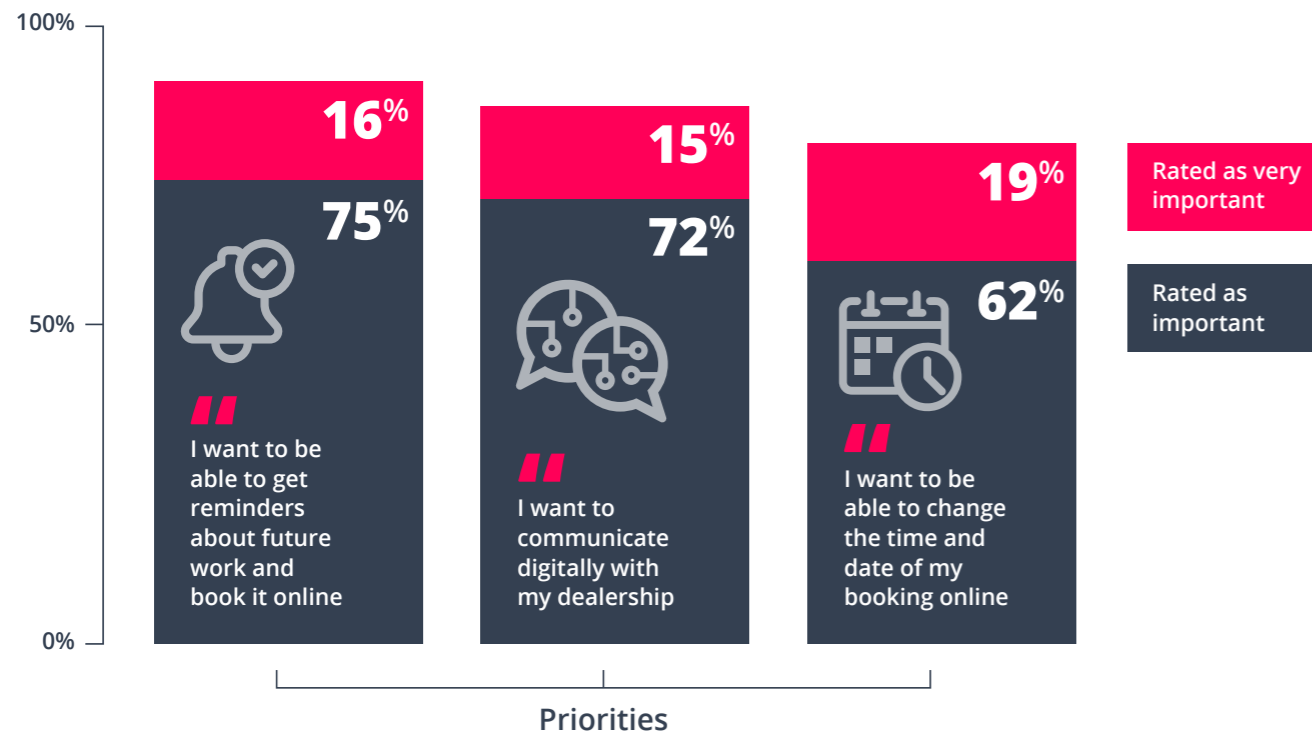
This paper has already discussed the benefits that dealers expect digital tools to deliver – but to recap, those benefits are:

Faster communications	Personal service at scale	A premium experience
Digital tools should enable service advisors to respond faster to customer queries – and to do so more accurately.	By combining digital tools and data on customers, dealerships will be able to provide a service that feels tailored to the customer – even as the number of customers grows.	Tools such as online check-in, a chat function to speak with a service advisor, and access to car history details will help customers feel they are receiving gold-star treatment from dealers.

The ultimate payoff for dealers, of course, is that customer satisfaction and loyalty increase as dealers provide the quality and type of service that customers are increasingly interested in.

83% of dealerships agree that increased use of digital channels could help ease time pressures for service advisors.

Top priorities for customers around digital tools



Customers are ready to adopt new tools

We know that customers are interested in communicating digitally – the question is, how best to reach them? It could be tempting to consider existing tools, such as social media platforms or email, to help ensure customers adopt the new methods of communication. However, there are risks to most existing digital communication tools for dealers.

	Pros	Cons
Social media platforms 	<ul style="list-style-type: none"> ✓ Most customers use at least one ✓ Allow for instant communication ✓ Can be used to send media 	<ul style="list-style-type: none"> ✗ Difficult to manage multiple channels ✗ Unbranded solution ✗ Difficult to send videos from the workshop
Email 	<ul style="list-style-type: none"> ✓ Very widely used ✓ Can send media such as photos 	<ul style="list-style-type: none"> ✗ May go into customer's spam folder and get missed ✗ Often can't send big media files such as video ✗ Not instant communications
SMS messaging 	<ul style="list-style-type: none"> ✓ Almost everyone in the UK owns a phone ✓ Modern phones display SMS messages like instant messages 	<ul style="list-style-type: none"> ✗ Can't send media files ✗ Some customers may be charged to reply depending on their phone plan ✗ Doesn't feel very premium ✗ Unbranded solution



There's good news, though: our survey revealed that customers are ready to try new tools rather than rely on existing ones. We asked customers whether they would be interested in using "a website that enables garages to send messages, photos and videos to you during your repair visit. It allows you to send messages to the garage, view booking details and personalised offers, and pay for services securely and conveniently from any device." 64% of customers were willing to use such a tool, with 1 in 3 people describing themselves as "very willing" to use it.

Crucially, these figures were much higher for dealership customers than for independent garage or fast-fit customers. This complements all our findings into what customers want from a dealership in terms of communications, and indicates that now is the time for dealerships to make the switch from outdated, phone-based communications to a digital-first solution.

The tension between automation and personalisation

Many people worry that automated communications come across as impersonal and so risk decreasing customer satisfaction. The truth is that, if done properly, automated messages don't have to feel impersonal.

The key to success is choosing carefully which messages to automate, and which to leave in the hands of your service advisors. Reminders about upcoming services and notifications about the status of the car are good candidates for automation, because the main purpose of the message is to impart basic information. Letting a customer know that extra work is needed, or that the bill is higher than expected, are not good messages to automate – those sensitive issues are best handled by your service advisors.



Conclusion

The data we've gathered gives dealerships a unique window into the priorities and challenges that the industry and its customers face. One of the key conclusions to be drawn from our research is this: when it comes to communications and service, standing still is not an option for dealerships that want to thrive.

The resounding message from customers was that their expectations are shifting to match those of other sectors they rely on. Customers want instant, digital communications and tools to help them manage their visit with you. The importance customers gave these factors in our survey indicates that they're no longer 'nice-to-haves;' they're hygiene factors that, if missing from your dealership, will put you at risk of losing customers.

Dealers also need to look beyond the channel to the nature of their communications. More communication both before and during the customer's visit is a great place to start. Looking at incorporating video into your communications too, will help customers feel they've had a great service – and help your aftersales team to win more business.

Finally, it's essential that dealers look at a holistic solution, rather than a group of segmented ones. Much of what customers are looking for from dealers relies on taking information from a variety of sources and putting it in one place, giving service advisors a complete view of the customer they are serving. Service advisors switching between systems will affect how joined-up your service feels to the customer, regardless of how sophisticated your tools might be.

What's great is that both dealers and customers are ready to explore new ways of delivering the kind of experience customers are looking for. It's an ideal environment where dealers are recognising the limitations of their existing toolset and looking at new ways of delivering customer-centric, digital-first comms, and customers are open to trying new tools to achieve the experience they want. It means there's never been a better time for dealers to start experimenting with new tools than now.

Those dealers that do experiment and find the right solution should see their aftersales departments transform. Even as they expand, those dealers should see their customers reporting greater satisfaction, and see a reduction in complaints, as service advisors deliver winning customer experiences – even if those experiences involve unexpected repairs or costs for the customer.

With you this year, and in years to come

We plan to make this report an annual event, where we take the temperature of dealerships across the UK, and their customers, and show dealers what they can do to stand out from the competition. We'd love to hear your thoughts on this year's report, and any ideas you have for what we should ask the industry next year.

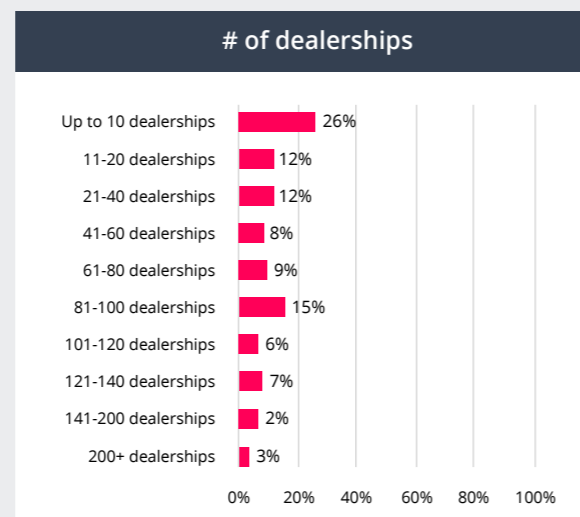
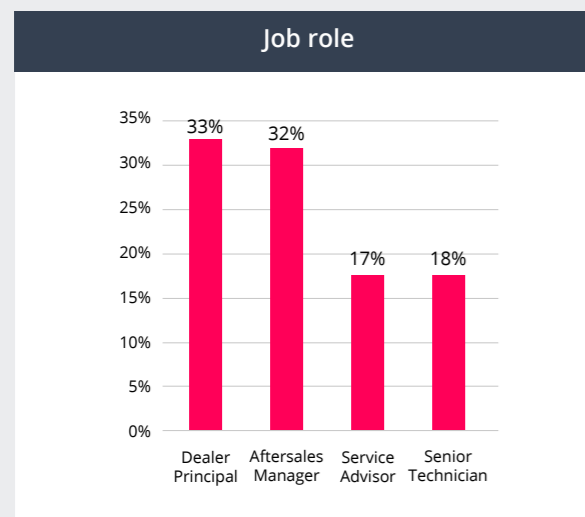
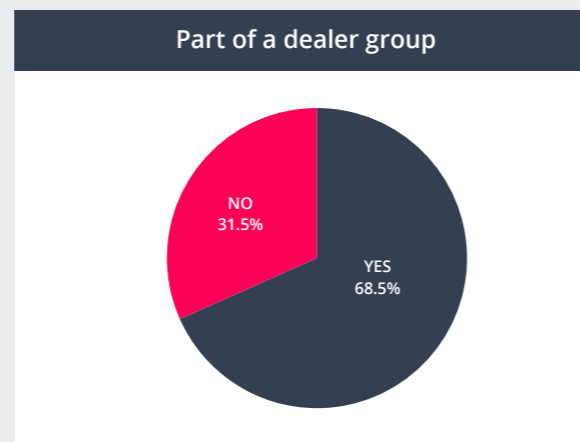
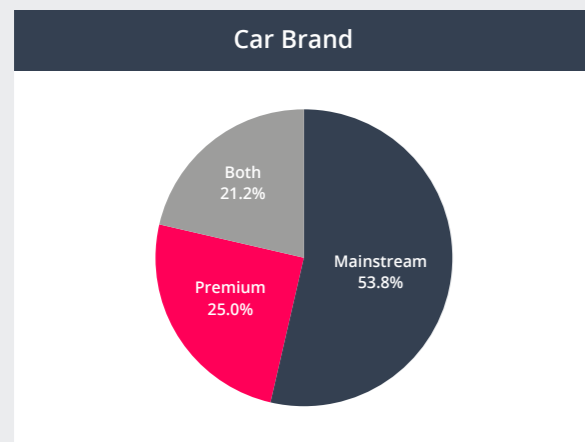
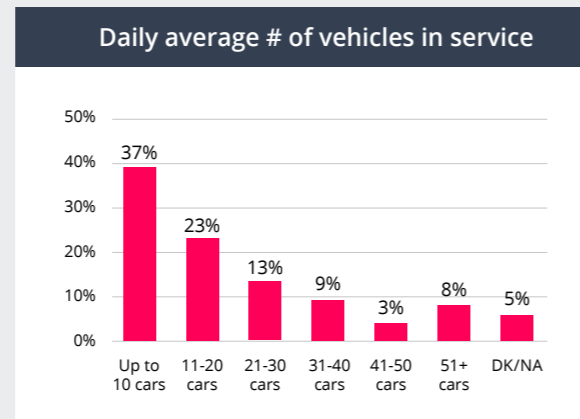
Thank you for reading, and we wish your dealership success and prosperity in 2021 and beyond.

Appendix

Survey demographic data

Dealers

To be representative of all UK dealerships with 95% confidence level +/- 8% we needed 146 responses



Customers

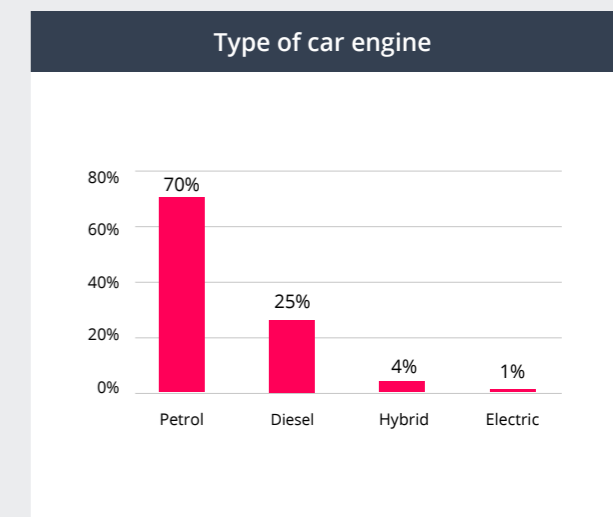
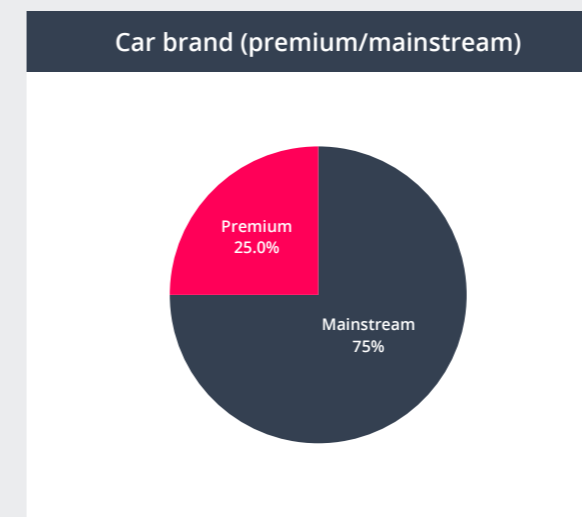
To be representative of all UK car drivers with 95% confidence level +/- 5% we needed 384 responses

Gender	Percentage
Men	48.8%
Women	51.2%

Age	Percentage
25-34 yrs old	3.1%
35-44 yrs old	13.1%
45-54 yrs old	22.5%
55-65 yrs old	23.4%
65-74 yrs old	25.3%
75+ yrs old	10.9%
Unspecified age	1.7%

Area	Percentage
Greater London area	13.6%
South East	12.7%
West Midlands	10.7%
East of England	10.2%
South West	9.8%
North West	9.0%
East Midlands	9.0%
Yorkshire & the Humber	8.1%
Scotland	7.1%
North East	4.2%
Wales	3.5%
Northern Ireland	2.1%

521 online interviews amongst customers who have had their car serviced in the last 9 months. Sample profile.





Autino
automotive innovation

www.autino.com