



A Guide to Improve Customer Experience in Your Service Department

2021 Cox Automotive Service Industry Study Takeaways



Dealership service departments want to drive profit with satisfied customers who keep coming back. But how well are dealerships achieving this goal, and how can they improve?

The 2021 Cox Automotive Service Industry Study provides all the answers. Read on for key data, insights, and opportunities for your dealership.

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STATE OF THE SERVICE MARKET

Learn why consumers choose (and don't choose) dealers for vehicle servicing and get an overview of the customer experience.



Market Share: Dealerships are the top service provider, but they could capture more of the market.



34%

of service visits take place at dealerships, followed by general repair/service stations (25%).

55%

of consumers who prefer dealership service departments say it's because *they know my vehicle.*

Reasons why other consumers *don't* choose dealerships for service:

- 1 Location
- 2 Total cost
- 3 Anticipated overcharge
- 4 Unreasonable labor charges
- 5 Unreasonable parts charges

INSIGHTS

- Consumers trust dealerships for vehicle servicing more than they trust other providers.
- When consumers choose other service providers, they're choosing **convenience** and an anticipated **lower cost**.

OPPORTUNITY

- Dealerships are missing out on $\frac{2}{3}$ of service visits — which translates to an astounding **\$214 billion in potential revenue. That's \$13 million per franchise dealer!** If you make the right improvements at your dealership, you could win much of that lost business.
- There's a real need in the marketplace for dealerships like yours to provide:
 - Easy, convenient vehicle servicing options
 - Price transparency to combat the perception of overpriced services

Customer Experience: Consumers are relatively satisfied with dealer service departments, but there's room to improve.

72%

of consumers
are *very satisfied* with
dealership service.

Only
55%

of dealers say that
the *service experience*
has improved in the
past year, down from
71% in 2018.



The #1 frustration among
customers is still the
service visit time.

INSIGHTS

- Service customers remain happy at dealerships — but the overall satisfaction rating could be much higher.
- Dealers who feel their customer experience has improved over the past year credit their **digital offerings** such as tools for repair status tracking and customer notification.

OPPORTUNITY

- Your dealership can help raise the bar for meeting and exceeding customer satisfaction by **embracing digital tools and services.**
- Ongoing frustration with service visit time indicates an opportunity to **evolve the customer experience altogether.**

EMERGING OPPORTUNITIES

Uncover ways to improve the customer experience through convenient service options, digital features, and inspiration gained from top dealers.



Dealership Employee Satisfaction: Increasing dealer employee satisfaction will increase customer satisfaction, too.

13%

of dealerships cite a **decline in customer satisfaction** over the past year. In 2018, that number was just 4%.

57%

of dealerships say their service department is **not fully staffed**.

Only
77%

of service customers **communicate face-to-face** with dealerships now, compared to 86% three years ago.



The #1 frustration among dealership service centers is **part delays from manufacturers**.

The #2 frustration is finding / hiring the right technicians.

INSIGHTS

- Although customer satisfaction is relatively high (72% very satisfied), dealers think the customer experience is slipping — largely because of **major staffing issues**. The recent decrease in **personal touchpoints with customers** might also contribute to dealers' perception.
- **Staffing issues** don't just affect the customer experience — they **frustrate dealership employees, too**. **Part delays** also frustrate employees while negatively impacting customers.
- Increased employee frustration leads to increased turnover, which causes the customer experience to suffer even more.

OPPORTUNITY

- **If your employees feel like your customer experience could be improved, then it should be.** Encourage team members to make suggestions, and act on them if possible. Doing so will help you retain more employees and will improve the experience for your employees as well as your customers.
- **Implement new staffing strategies** with a focus on skills development, continuous improvement, and empowering employees with the tools they need to serve customers efficiently.
- **Overcome frustrations regarding part delays** by keeping customers informed about timing updates. Integrated software solutions can help.
- **You don't need more face-to-face communication with customers, you just need better communication overall.** Digital tools and capabilities will equip you to provide responsive, personalized service — whether you see your customers in person or not.

Convenient Servicing: Dealers could improve their customer experience with convenient service options.

MOBILE ON-SITE SERVICE

17MM service visits per year are with *mobile providers*.

21% of dealers offer mobile service.

20% of dealers plan to offer mobile service in the future.

66% of mobile visits cause *frustration*.

SERVICE PICKUP AND DELIVERY (SPUD)

56% of *SPUD users* say their service experience has improved since the start of the COVID-19 pandemic, compared to just 29% for consumers overall.

89% of consumer SPUD users are *more likely to choose one dealership over another* based on SPUD availability.

INSIGHTS

- **Mobile service and SPUD are growing trends** and will only increase in the future.
- Mobile services are intended to offer convenience, but **many solutions still aren't meeting expectations**.

OPPORTUNITY

- If your dealership doesn't yet offer mobile service or SPUD, **now is the time to start**. In the coming years, more consumers will expect and depend on these types of services. Dealerships that don't offer them may get left behind.
- When considering mobile service providers for your dealership, remember that **not all solutions offer the same quality**. Consider running a pilot program with any service you choose before launching it broadly.

Digital Evolution: Digital features would improve the customer experience.

Only
62%

of dealers believe their
online solutions enable a
better service experience.

| DIGITAL FEATURES | Consumers Say It's Very Important | Dealers Offer It Via Web or App |
|-----------------------------------|--------------------------------------|------------------------------------|
| OEM Recall Info | 72% | 28% |
| Service Visit Scheduling | 67% | 74% |
| Repair Estimate Review / Approval | 67% | 29% |
| Service Price Ranges | 66% | 32% |
| Service History | 66% | 24% |

INSIGHTS

Dealers know they aren't offering the digital features that consumers want — and survey results confirm their suspicion. With the exception of service visit scheduling, dealers generally do not provide the digital capabilities that consumers consider *very important*.

OPPORTUNITY

Adding a few digital features to your website or app — such as OEM recall info or service history — would help positively impact the customer experience and customer satisfaction.

Online Scheduling: Consumers expect dealers to know their vehicle when scheduling service online.

91%

of consumers who schedule service online are *highly satisfied* with the scheduling experience.

What Consumers Expect Dealers to Know During Scheduling

| | | | |
|----------------------|-----|---|-----|
| Service History | 63% | Vehicle Mileage | 34% |
| Vehicle Make / Model | 59% | Amount Spent on Previous Vehicle Purchases / Leases | 18% |
| Vehicle Year | 52% | Trade-in Value | 17% |
| Vehicle Features | 43% | | |

INSIGHTS

Almost all consumers who schedule a service visit online are highly satisfied with the experience — **more so than with any other channel.**

Consumers expect dealers to **know the basic facts about their vehicle** when they schedule their service visit online.

OPPORTUNITY

If you don't already offer online scheduling, adding this capability would help increase your customer satisfaction. Consider a scheduling solution that integrates with your other software so the service department has a line of sight into vehicle specifics.

Inspiration: Top dealers focus on customer experience.

99%

of top dealers agree that improving the customer experience in service is an important focus.

Top dealers say these improvements result in a better customer experience:

- Integrating CRM and fixed ops systems
- Integrating DMS and fixed ops systems
- Meeting with customers to discuss trade-in values
- Using digital tools and offering convenient options such as online appointment scheduling

INSIGHTS

The highest-performing dealers in the industry are those who **recognize the impact of their service department on their overall success**. They have transformed their operations by putting the customer experience first and delivering what consumers want.

OPPORTUNITY

In order to become a top dealer — with the highest profitability, efficiency, and customer satisfaction — you should adopt digital solutions that:

- Enable a great customer experience
- Facilitate business operations
- Integrate your service department with core dealership software to provide a unified view of customer history
- Maximize utilization of bays and techs

- Help techs automate the reporting process
- Manage loaner fleets / rentals more efficiently
- Enable better communication between your service staff and customers
- Provide more transparency into operations and employee processes
- Increase customer retention

EMBRACE THE OPPORTUNITIES TO IMPROVE

Savvy dealers will learn important lessons from the 2021 Cox Automotive Service Industry Study. There's a real opportunity for dealership service departments to win market share by embracing digital tools, services, and features consumers expect these days. Digital solutions will improve your customer experience as well as your business operations, furthering your opportunity to grow profits and retain customers.

About the Study

The 2021 Cox Automotive Service Industry Study is significant because so much has changed since the last one was conducted in 2018. Participants included:

- 2,502 consumers who've had at least one service visit in the past 12 months
- 529 franchise dealers with decision-making authority over fixed ops

Thanks to all who participated in the study, as the findings will help the industry evolve and improve over the next several years.

About Xtime

Xtime is an end-to-end software service solution that drives customer loyalty and revenue for automotive dealers in each stage of the service process. We do this by providing easy-to-use technology and industry experts that help dealers meet changing customer expectations. We are a committed dealership partner aiding your delivery of the ultimate service experience.

Contact us today to find more resources to improve your dealership.

Ready to see our end-to-end fixed ops solution in action? [Book a demo today.](#)

