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The following article is from the September 2013 edition of *JOBBER NEWS*. It was written by J.D. Ner, supervisor of Canadian Automotive Practice, J.D. Power & Associates

THE LAWS OF ATTRACTION: Why consumers choose the aftermarket, and why they don't

Do vehicle owners in Canada select the aftermarket for servicing their vehicles because it's cheap? When it comes to the automotive servicing behavior of Canadians whose vehicles are either entering or within the aftermarket's traditional territory (between four and twelve years old), price may initially drive and mould their service location choices, but it is likely that other factors solidify the relationship. As jobbers, it's important to help your service provider clients understand the fundamental motivations of their own customer, the Canadian driver.

In the 2013 Customer Commitment Index (CCI) Study, J.D. Power surveyed owners of four-to-12-year-old vehicles not only to determine their overall service satisfaction with OE dealers and the aftermarket, but also to determine their reasons for choosing their service provider and to identify the key motivators and sources of information that led to that decision.

And, while the overall satisfaction question is critical, so too is a solid understanding of those prime motivators -particularly if aftermarket players are to hit the most appropriate notes with their marketing and promotional efforts.

Let's first tackle the ever present question of price -or rather, the perceived "cheapness" of aftermarket service providers. Do post-warranty customers abandon the dealership environment simply because the aftermarket is cheaper? The short answer is "yes," albeit with a significant "but."

Overall, 42% of owners of four-to 12-year-old vehicles use only a dealer for their service needs, while 35% service exclusively in the aftermarket. The remaining 23%, for various reasons, use a combination of dealership and aftermarket facilities during the course

of 12 months. Among owners who switched from a dealer to the aftermarket for their most recent service occasion, 30% indicate that they did so because they perceived the dealer cost as being too high -the most frequent cited reason. Moreover, the data shows that once in the aftermarket, customers do indeed experience a smaller average invoice (\$232 per visit at an aftermarket location, vs. \$264 at a dealer.)

So, the initial perception is at least a partial reality; however, with this actual gap in terms of dollars representing less than the sales tax, it's difficult to imagine the small savings being the basis for the kinds of long-term business relationships observed between customers and their aftermarket service provider. Even with price as an early motivator to try the aftermarket, if the only differentiator once there were nominal savings, the likelihood of customer retention would be questionable. In short, the data shows that there is something else going on during the visit that changes the conversation from price to value.

This is precisely what is observed when looking at the group of vehicle owners who last serviced in the aftermarket as a whole. When asked their No. 1 reason for service provider selection, the top reasons cited are past experience (20%); the mechanic who usually repairs my car (16%); convenient location (16%); and good customer service (13%), with lower price (10%) just barely eking into the top five. Moreover, only 3% cite a special offer or coupon, calling into question the efficacy of this particular go-to strategy across the service provider network. The muted impact of cost is also evident when owners were asked for their most important source of information regarding the service location selected. Among this group of aftermarket service customers, 69% indicate that it was a prior experience with the facility; 27% indicate a recommendation from friends and family; only 4% cite an advertisement.

So do vehicle owners select aftermarket locations because they're cheap? Perhaps impressions lead them in that direction in the beginning; but remember that their primary source of information is recommendation and not low-price promotion. Once they've paid the first bill and much of that perceived competitive advantage is gone, they elect to return for reasons that are anything but price-sensitive. With their return business they choose value over cost, customer service over coupons.

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