

Satisfying Vehicle Service Experiences Crucial to Customer Retention, J.D. Power Finds

[Toyota Ranks Highest among Mass Market Brands; GMC Ranks Highest among Luxury Brands](#)

MEXICO CITY: 27 Sept. 2019 — New-vehicle owners are more satisfied with the service they receive from dealerships compared with when they visit both dealer and non-dealer service facilities, according to the J.D. Power 2019 Mexico Customer Service Index (CSI) Study,SM released today.

Customers who take their vehicle exclusively to dealership facilities seek services such as lube, oil and filter changes and other routine maintenance at higher percentages than do switchers—those customers who visit both types of facilities. However, non-dealer facilities have the upper hand for minor jobs such as tire alignment, replacement and repair.

The study, now in its fifth year, delivers a comprehensive analysis of the service experience among owners of 1- to 3-year-old vehicles and evaluates customer satisfaction with their servicing dealer by examining five key measures (in order of importance): service quality (25%); service initiation (24%); service advisor (20%); vehicle pick-up (16%); and service facility (16%). Satisfaction is calculated on a 1,000-point scale.

“Providing an outstanding service experience during the first three years of vehicle ownership is critical for dealers to maintain customer loyalty,” said **Gerardo Gomez, Senior Director and Country Manager at J.D. Power de Mexico**. “As we saw with the 2019 Mexico Customer Service Index Long-Term Study, customers begin migrating to third-party service facilities in greater numbers after the third year of ownership. Once customers become switchers, it’s difficult for dealers to recover this business. Switchers have a more critical eye and become more skeptical, so dealers should focus on improving satisfaction through service quality and service initiation—the areas of highest importance for vehicle owners—to retain business once the manufacturer warranty expires.”

The study finds that one in six new-vehicle owner customers (18%) are switchers. However, satisfaction among these customers is 16 points lower than among customers who visit dealerships only, and their satisfaction declines 21 points by the third year of ownership. Dealer-only service customers have higher satisfaction across all categories analyzed in the study: service quality (+18 points); vehicle pick-up (+17); service initiation (+17); service advisor (+14); and service facility (+12).

Following are some key findings of the 2019 study:

- **Vehicle maintenance packages benefit repurchase intent:** While nearly two-thirds (62%) of luxury owners received a complimentary maintenance package when they purchased their vehicle, the likelihood of repurchasing or leasing a vehicle from that dealer is nearly 92% for complimentary packages and 93% for paid-for packages.
- **Satisfaction gap remains on service update methods:** A phone call remains the most preferred communication method to provide service updates in many markets in which J.D. Power conducts a CSI Study. In Mexico and Brazil, 36% of customers prefer a phone call, followed by the UK (35%). The United States trails with 27%. In Mexico, updates by messaging app (31%) and text message (11%) are the second- and third most-preferred methods. However, these channels are used just 5% of the time, indicating that customers’ needs aren’t being met. Dealers who text or use messaging apps should capitalize on this service opportunity, as customer satisfaction is 41 points higher when customers are notified via text message or messaging app vs. a phone call.
- **Keep fixing it right the first time...or else:** While dealers in the UK, Brazil, Germany and United States complete service work right the first time 93% or more of the time, according to J.D. Power CSI studies

conducted in those countries, dealers in Mexico rank highest at 97%. It's important for dealers in Mexico to note, however, that satisfaction drops 207 points when this metric isn't met.

- **Keys to generating more revenue:** When customers perceive that the service advisor is providing them with valuable information about their service work, as well as keeping them informed with status updates, they're more likely to spend more than originally planned, at least 13%.

“There are many areas where dealerships have demonstrated they provide a service advantage, but pricing remains a top customer consideration,” Gomez said. “Dealers and manufacturers have been able to contain service costs—which have remained relatively stable during the past five years—by implementing processes to make service operations more efficient. By continuing to keep costs competitive and continuing to improve the overall service experience, dealers may be able to increase service retention and brand loyalty. This can keep customers coming back for years to come.”

Highest-Ranking Brands

Toyota ranks highest in overall satisfaction among mass market brands, with a score of 854. **Mazda** (853) ranks second and **Hyundai** (851) ranks third.

GMC ranks highest among luxury brands for a second consecutive year, with a score of 892. **Buick** ranks second (871), followed by **BMW** (870) and **MINI** (869).

The 2019 Mexico Customer Service Index (CSI) Study is based on the evaluations of 6,094 interviews with new-vehicle owners in Mexico approximately 12 to 36 months after purchase. The study was fielded from March through August 2019.

J.D. Power is a global leader in consumer insights, advisory services and data and analytics. These capabilities enable J.D. Power to help its clients drive customer satisfaction, growth and profitability. Established in 1968, J.D. Power has offices serving North America, South America, Asia Pacific and Europe.

Media Relations Contacts

Diana Muñoz; Mexico City; +52 1 55 7474 4075; diana.munoz@jdpa.com
Silvia Mosqueda; Mexico City; +52 1 55 1900 9989; smosqueda@sintralogistics.com
Fabiana Duran; Mexico City; +52 1 55 1012 0885; fabianaduranp@gmail.com
Geno Effler; USA; 714-621-6224; media.relations@jdpa.com

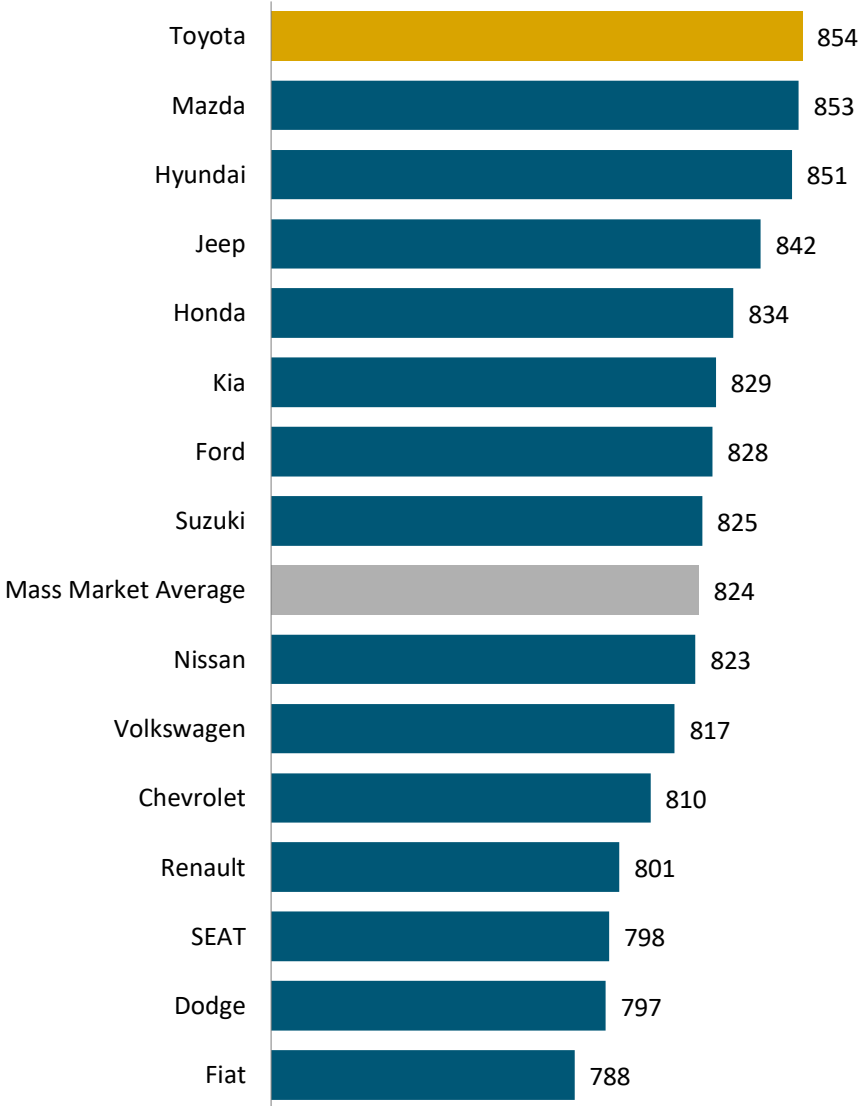
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NOTE: Two charts follow.

J.D. Power 2019 Mexico Customer Service Index (CSI) StudySM

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



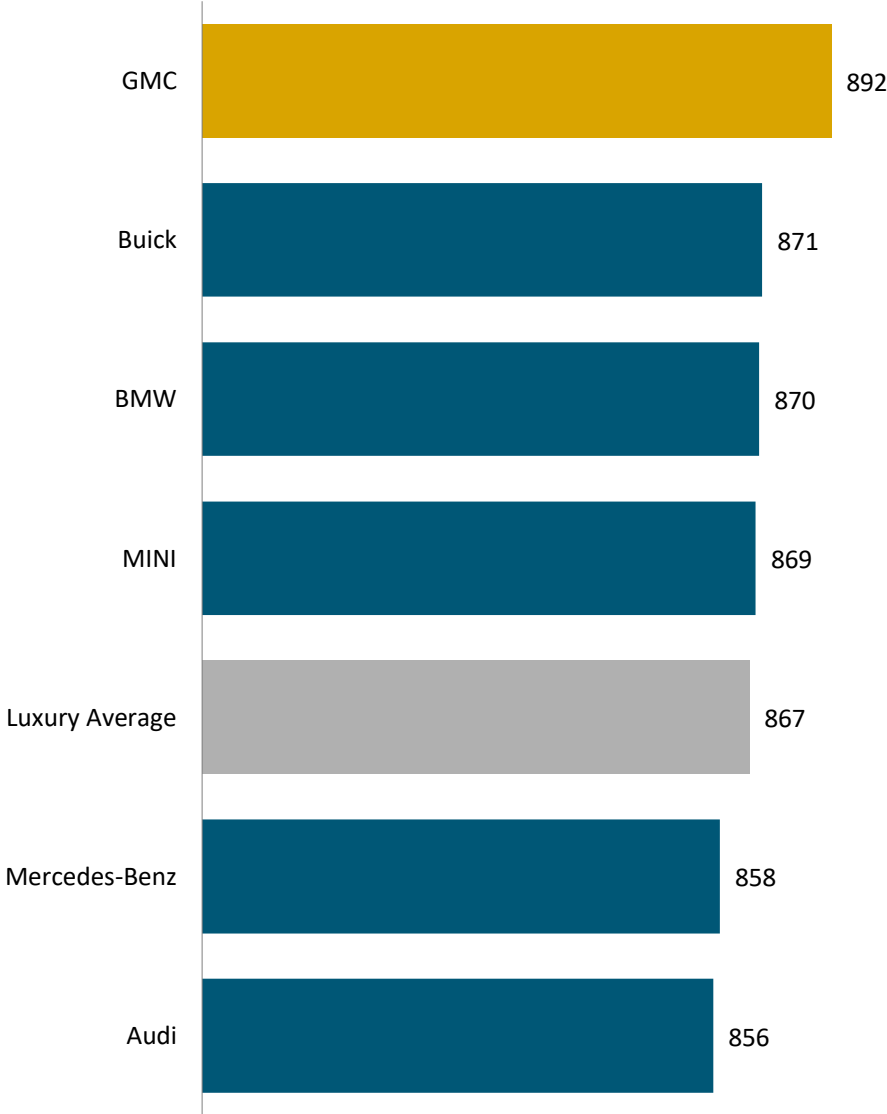
Note: Mitsubishi and RAM are included in the study but not ranked due to small sample size.

Source: J.D. Power 2019 Mexico Customer Service Index (CSI) StudySM

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J.D. Power 2019 Mexico Customer Service Index (CSI) StudySM

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



Source: J.D. Power 2019 Mexico Customer Service Index (CSI) StudySM

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