



Service Shopper

3.0

CONNECTIONS THAT MOVE YOU

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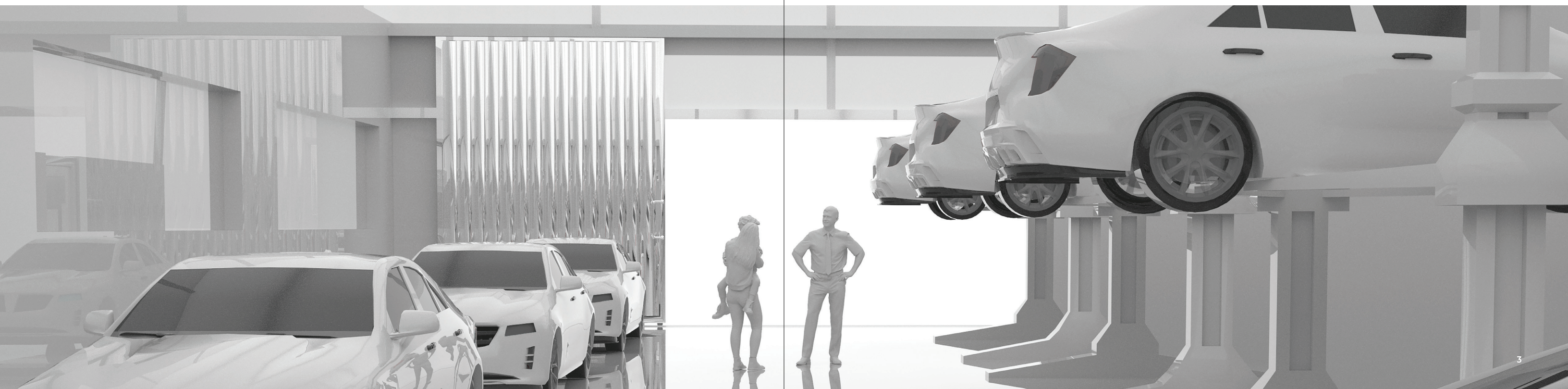
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Overview

The Service lane is a fast-paced center of dealership activity. Every day, dozens if not hundreds of cars and service customers flow through those roll-up doors. They need everything from an oil change and fresh wiper blades to rebuilt transmissions, and they're certainly going to scrutinize the bill when it comes.

That's why the CDK Service Shopper study is so important to track. With over 2,000 respondents this year, CDK was able to uncover how service shoppers feel about their experience at the dealership, why they chose it and what services their vehicles needed.



Last year, we saw satisfaction scores for service fall whether it was at the dealer, an independent shop or a chain. This year, the tide thankfully changed, even if just slightly, for franchised dealers.

NET PROMOTER SCORE BY SERVICE PROVIDER

○ 2020 ○ 2022 ● 2023



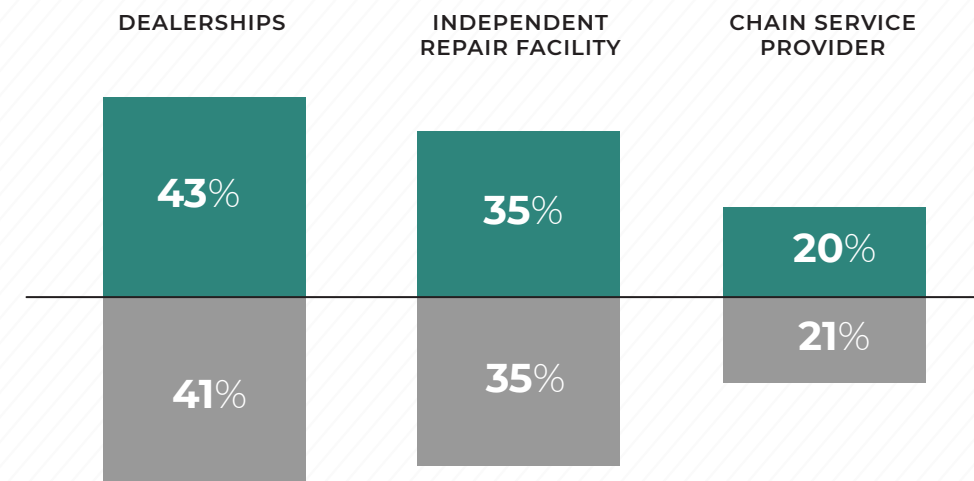
Independents saw the biggest rebound, but any higher satisfaction scores for dealers can be seen as a positive. Improving the customer experience is the way to keep momentum going in the right direction, and there are several significant trends seen in this year's study that can help dealers target other areas of improvement.

When it comes to where shoppers turn most often, the dealer remained the first choice and gained ground against independents, which remained flat. Chains, however, saw a drop. The same trend was true when asked about recent service choice as well.

In terms of Service volume, the industry has been unpredictable this year, and dealers may look at some of the positive results in this study on any given day and shake their heads. But the findings and the changes from just last year illustrate the very specific trends emerging in shopper consideration and action on a wide scale.

WHERE ARE SHOPPERS GOING MOST OFTEN FOR SERVICE?

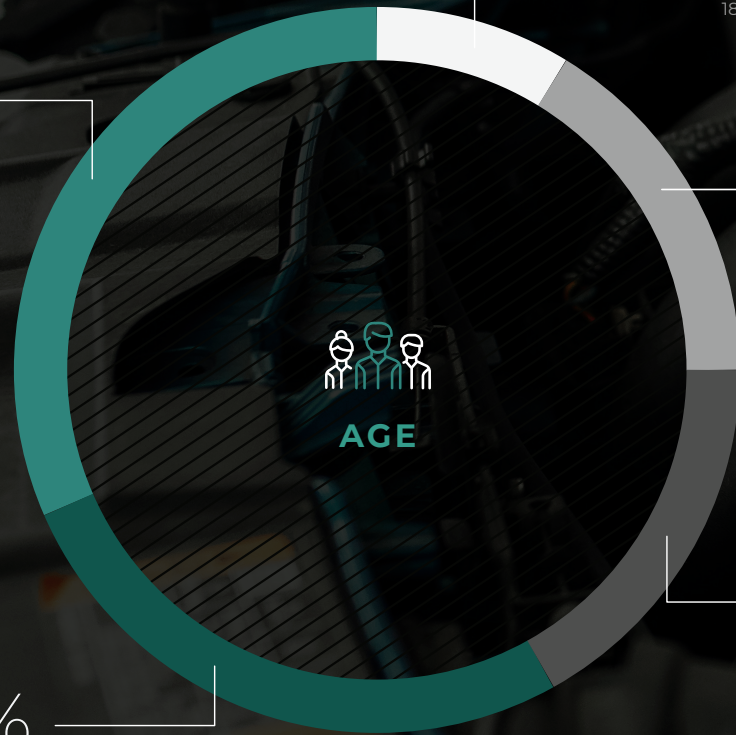
■ 2023 ■ 2022



DEMOGRAPHICS

Total Participants
2,149

35%
Boomer
59+ years



AGE

5%
Gen Z
18 to 26 years

12%
Young Millennial
27 to 33 years

18%
Old Millennial
34 to 42 years

29%
Gen X
43 to 58 years



GENDER

Male	45%	957
Female	55%	1184
Non-Binary	0%	8



VEHICLE TYPE

ICE	91%	1966
Hybrid	7%	149
BEV	2%	34



BODY STYLE

Truck	10%	205
Full-Size SUV	18%	385
Small SUV/Crossover	27%	571
Passenger	40%	854
Minivan	3%	72
Other	3%	61



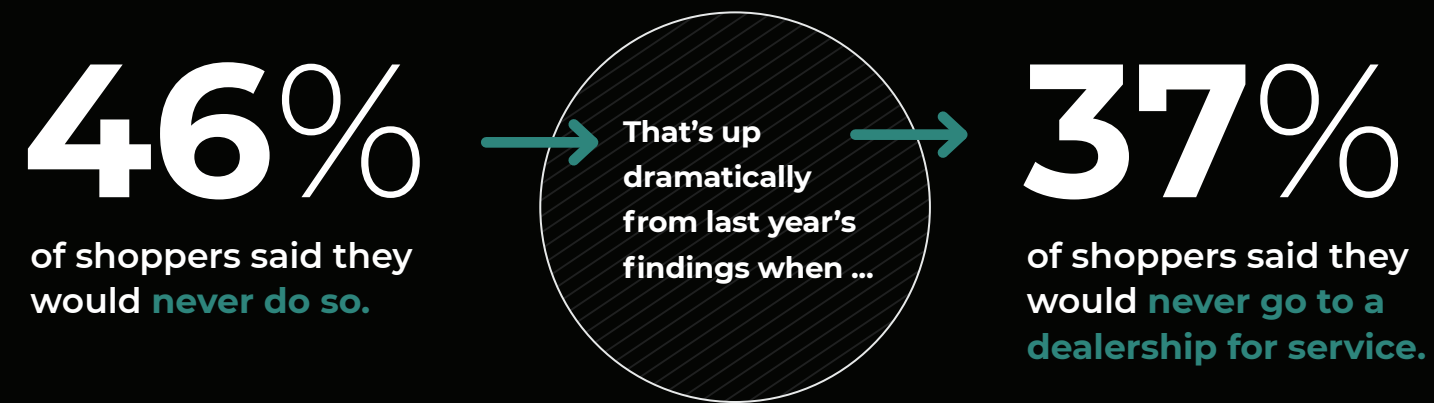
MILES DRIVEN IN A YEAR

0 to 12,000	62%	1340
12,000 to 14,000	13%	289
14,000 to 16,000	7%	159
16,000 to 20,000	7%	153
20,000 to 25,000	4%	88
25,000+	6%	120

Why Shoppers Choose a Dealership

The most distressing discovery in this year's study was from one simple question.

Would you visit a dealership for service?



So, what does draw a service shopper to a franchised dealership? It likely won't come as a complete shock, but it's the existing relationship they have with the store. Overwhelmingly this begins with the sale of the car itself, creating that vital connection between Sales and Service. **Similar to what was uncovered last year, factory-trained Technicians are one of a dealership's top draws for shoppers as well as having original equipment manufacturer (OEM) parts on hand.**

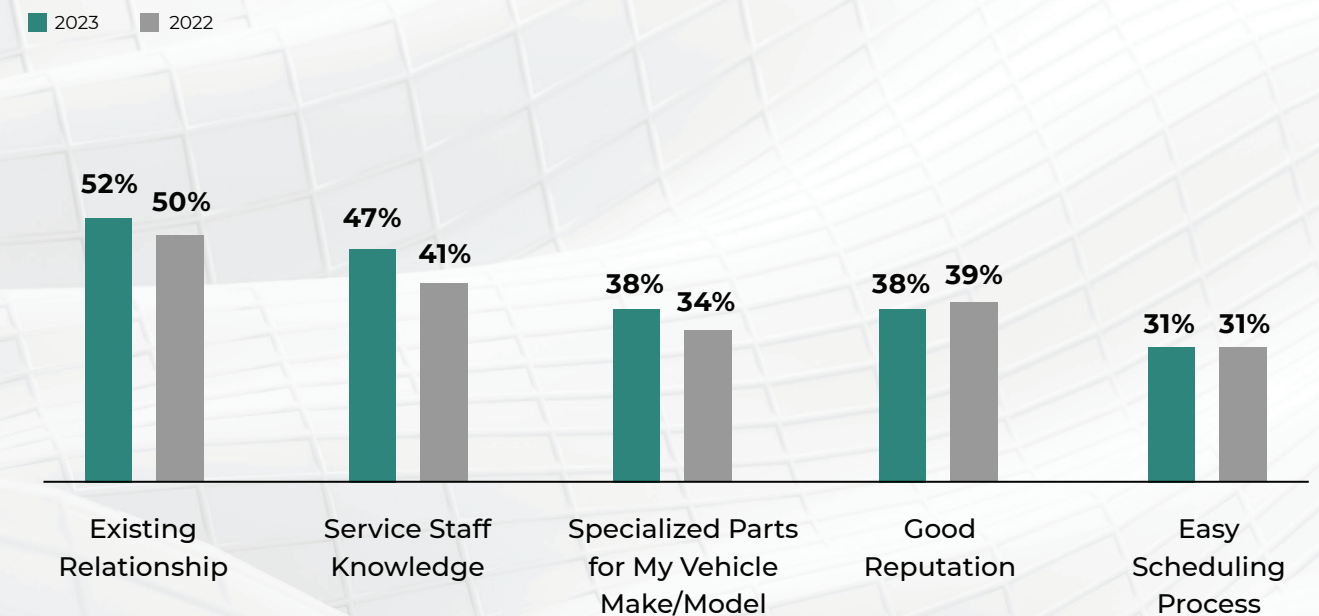
All three areas saw an increase compared to last year. What drew shoppers to independents is where we saw a distinct change.

Price has long been the top factor for selecting the local shop over the franchised dealer. This year, the independent store's positive reputation was the top reason shoppers selected them. That was up from the previous year, while low price dropped out of the top three and fell to 42% from 50% last year.

Chains, of course, stand out for their convenient location and speed.

To combat some of these perceived advantages from the competition, dealers can promote competitive costs and convenience options, whether that's shuttle service or vehicle pick-up and drop-off.

TOP REASONS SERVICE SHOPPERS CHOSE DEALERSHIP



TOP THREE REASONS BY SERVICE PROVIDER FOR 2023



More Repairs Done at the Dealership

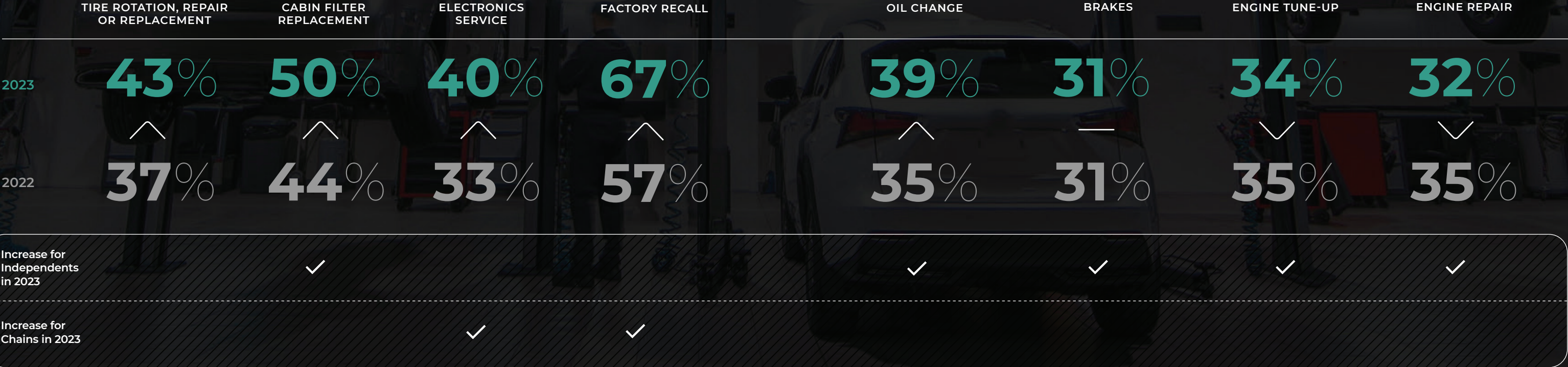
CDK asked service shoppers about 14 types of services they received and where they received them. These ranged from factory recalls, which were predominantly done at a dealership, to replacing wipers and cabin air filters, which were also done at the dealership more than independents or chains.

And this year, franchised dealerships saw an increase in 11 types of services. Only brake work, engine tune-up and engine repair remained flat or saw small drops from last year

Independents saw gains in those three types of services and eight others to also see 11 total services up from the previous year. Chains only saw an increase in factory recalls and electronic service, and those gains were small.

The focus on tires in a dealership's Service department has been top of mind for the past several years. Tire rotation, repair and replacement saw a significant increase from last year, rising from 37% of respondents to 43% this year. Not only did that outpace independents (31%) and chains (23%) this year, but both were either flat or decreased from the year before.

SERVICES PROVIDED BY DEALERSHIP



Where Dealers Fall Behind

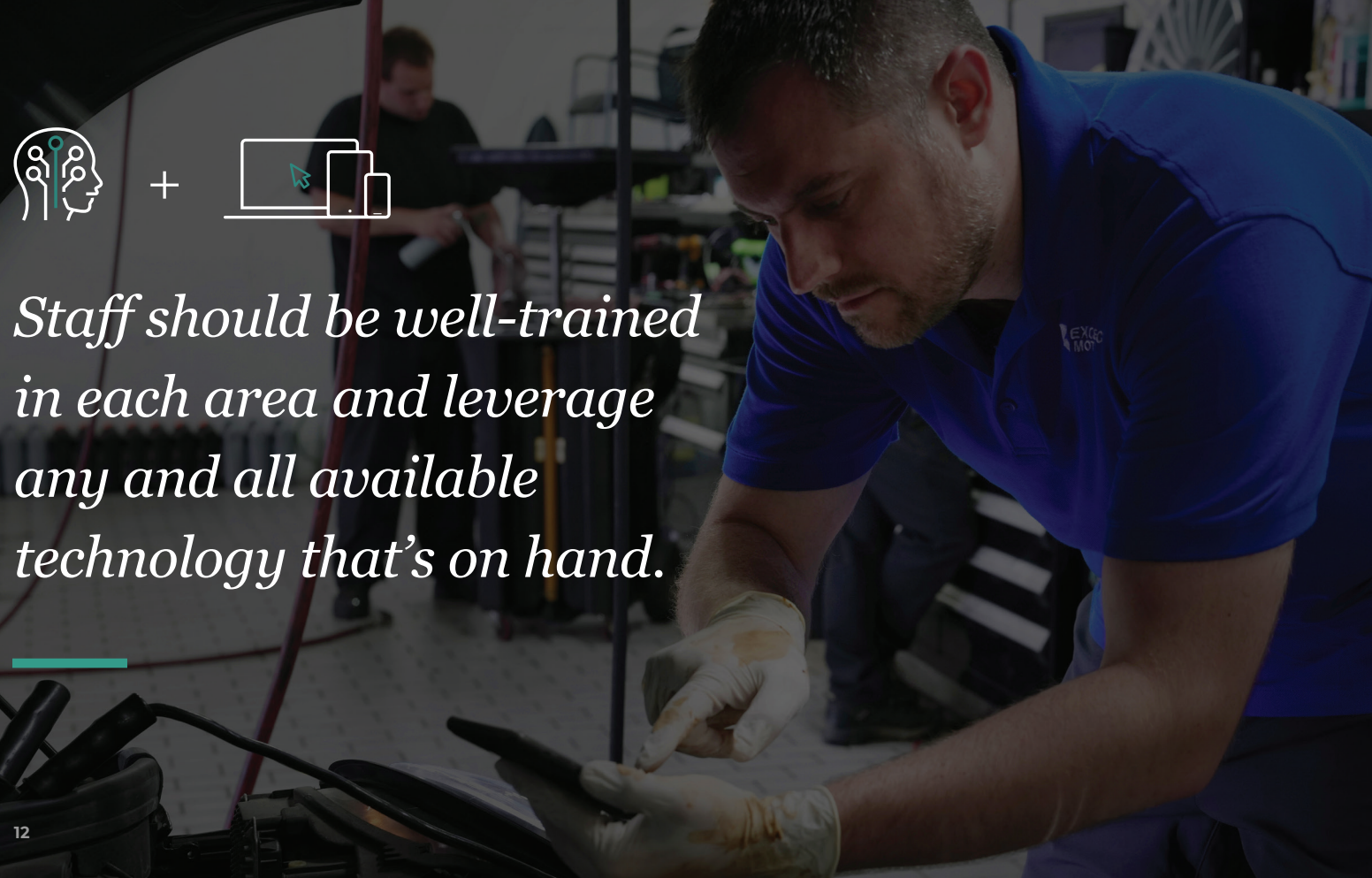
The experience of getting each of these services completed improved pretty much across the board for dealerships, independents and chains. However, dealership gains lagged behind those of their competitors.

While the scores were still relatively high for dealerships, there should be some concern in areas where they could have a competitive advantage.

Dealerships fell behind on making the repairs understandable to the customer, describing the service needs, and checking in with customers concerning future repairs.

These are features in which dealers can and should excel. Staff should be well-trained in each area and leverage any and all available technology that's on hand.

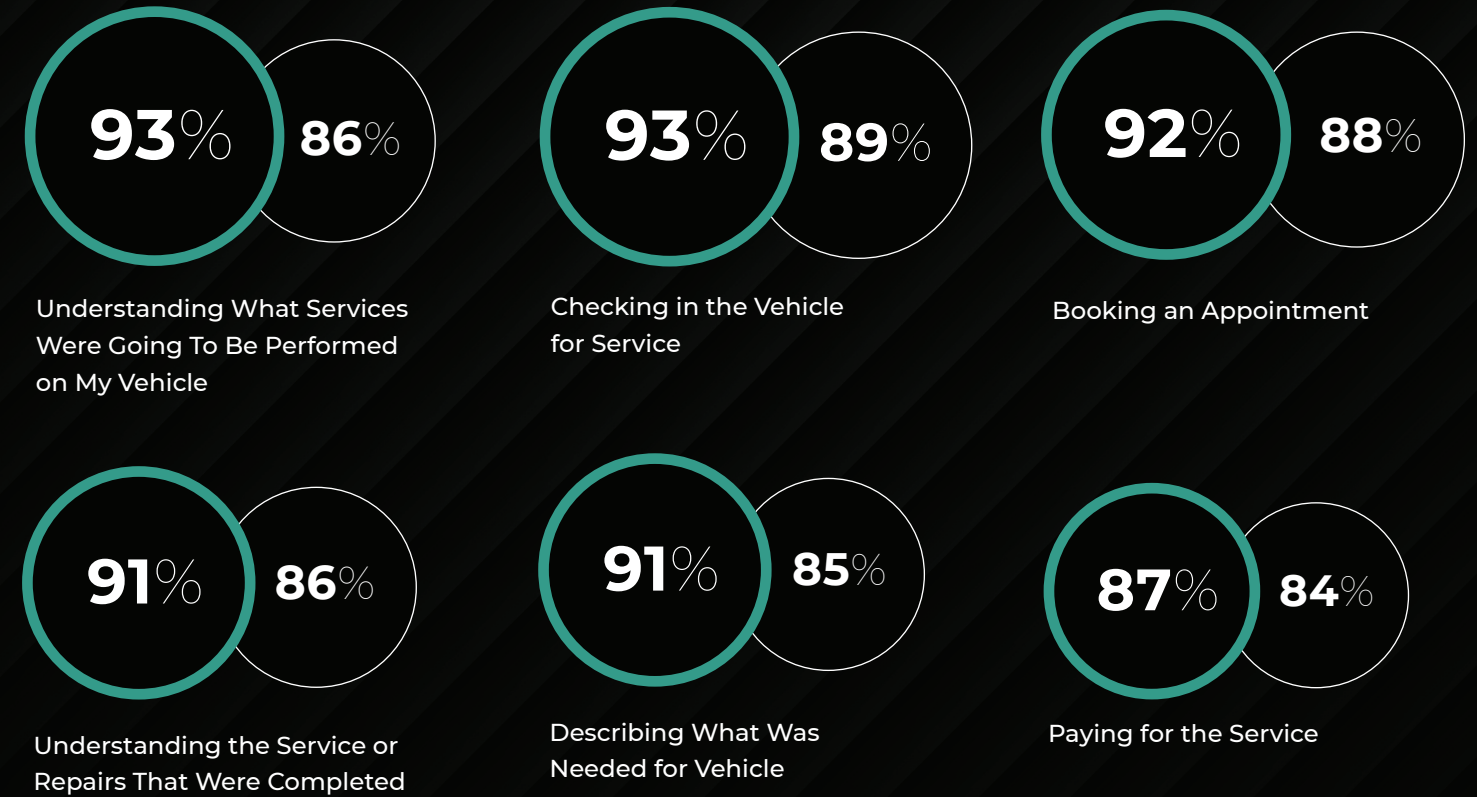
Two areas where dealerships shined were updating customers on the progress of their service and the appointment booking process. Dealerships are more frequently addressing both areas with upgraded technology, like video updates and online schedulers.



Staff should be well-trained in each area and leverage any and all available technology that's on hand.

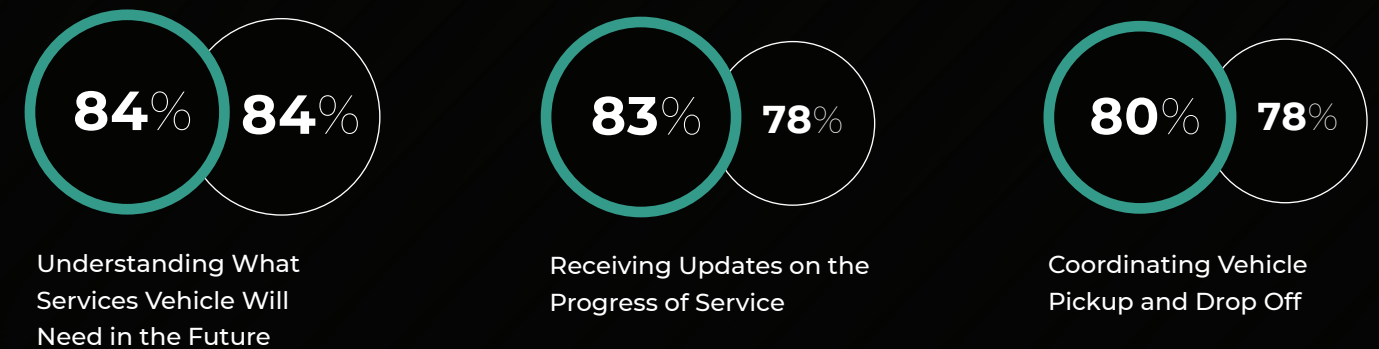
EASIEST SERVICE TASKS AT DEALERSHIP

○ 2022 ● 2023



MOST DIFFICULT SERVICE TASKS AT DEALERSHIP

○ 2022 ● 2023



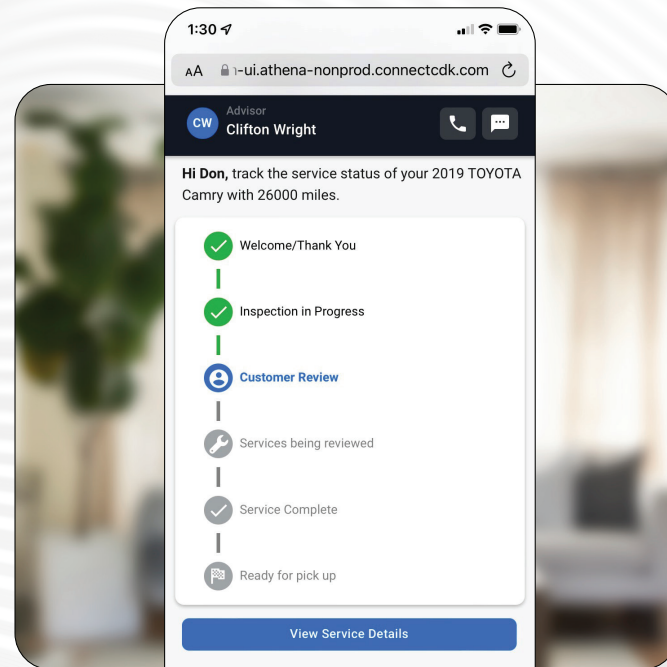
Key Takeaways

Despite many positive signs found in this year's results, dealerships have a lot to consider when it comes to their Service department's future. Customer experience is a top concern across the store, and that's one area of concern that was uncovered when talking to service shoppers.

1

MAKE REPAIRS EASIER TO UNDERSTAND AND UPDATE, UPDATE, UPDATE

Service Advisors do an excellent job in shepherding customers through the process starting right from the drop-off. However, this research shows that both helping customers understand the services they're receiving and updating them on the progress are areas that can be improved. Perhaps an oil change doesn't rate an in-depth explanation, but simply asking customers if they have questions or need a deeper dive into what's involved could alleviate confusion. **The ability to update customers is available through technology like mobile updates and should be a consideration to help improve the service experience.**



2

PROMOTE TRAINING AND TECHNOLOGY

There's nothing wrong with taking what is a strength and reinforcing it with customers. **Factory-trained Technicians and certified parts are two of the key reasons service shoppers choose a dealership over competitors.** CDK recommended enhanced marketing around these areas in last year's study, and we continue to offer that recommendation. As electric vehicles become more commonplace, these advantages will be even more pronounced. Emphasize the advanced technology in today's cars and illustrate why a dealership's Service Technicians are another reason to come to a dealership over the competition.



3

REPUTATION MANAGEMENT IS AN OPPORTUNITY

Service shoppers identified the competition had certain strengths a dealership simply can't compete against. For example, a convenient location is hard to battle simply because of logistics. However, there remains a window of opportunity to build a dealership's reputation. This would certainly include dealership use of Google surveys, but any touchpoints an Advisor can add to a single Service visit can help. Do you follow-up with an email or call to check on a major service? Do you offer to walk customers to the waiting room or cashier? **Small efforts to show genuine concern for your customers' experience should help build your department's reputation.**



ABOUT THIS STUDY

CDK continues to connect dealerships with the broader retail ecosystem as well as car shoppers and owners. The Service Department remains one of the linchpins of any dealership's operation and CDK will continue to invest in the ways and means to access valuable and actionable insights.



PETER KAHN

CDK Head of Research

With over 20 years of experience in researching all aspects of the automotive retail industry, Peter's work is primarily focused on how dealerships and brands can improve efficiencies and meet the changing needs of the vehicle buyer and service consumer.

As the Senior Director of the CDK Research and Insights group since 2015, Peter brings his expertise to bear on a variety of topics that impact dealerships and shape economic outcomes. His work has helped inform industry leaders about the use of artificial intelligence in the dealership, women in automotive, the state of automotive retail, job seeking in automotive retail, along with many other key areas of research.



DEVIKA BIRNALE

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Devika Birnale is a Market Research Analyst at CDK, where she works on a variety of research initiatives across thought leadership and the Product Technology and Marketing teams. Her research bridges the gap between end customers, dealerships and CDK. Devika holds a Master's Degree in Marketing Intelligence from the University of San Francisco in California.

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