



NFDA

NATIONAL FRANCHISED DEALERS ASSOCIATION



Dealer Attitude Survey

Winter 2020/2021

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Introduction

Dear Colleague,

Welcome to the latest **NFDA Dealer Attitude Survey**.

The National Franchised Dealers Association (NFDA), which represents franchised car and commercial vehicle retailers in the UK, conducts the Dealer Attitude Survey twice a year, the survey has taken place continuously since 1989. With a total of 2,585 responses from 32 participating dealer networks, this edition has received an extremely high response rate of 59.5%.

This edition of the survey was conducted in January 2021 and asked franchised dealers a series of questions covering key business issues affecting the relationship with their respective manufacturers. Responses are scored from 1 (extremely dissatisfied) to 10 (extremely satisfied).

Despite the significant disruption faced by our industry over the past twelve months, dealers are, on average, fairly satisfied with the relationship with their respective manufacturers. This was also reflected by a number of questions receiving higher average scores than in the previous, summer edition of the survey.

Positively, dealers showed relatively high levels of satisfaction with the support received by the respective manufacturers during the COVID-19 crisis. The all-important question asking dealers 'how would you rate your manufacturer overall?', as well as the overall average score across all questions had higher ratings than six months ago.

Dealers were fairly satisfied with the ability to do business with their manufacturers on a day-to-day basis. Despite a slight dip, dealers were also positive about the alternative fuel vehicle offering of the brands they represent.

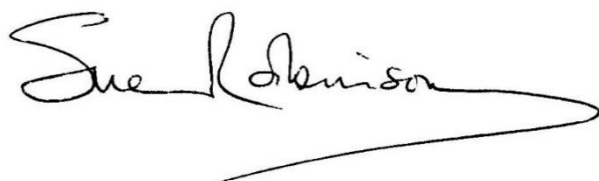
Although average scores for profit return, total margin, required levels of capital investment and return on capital remained below 6.0 out of 10 points, there were notable improvements across all categories. Several dealers expressed dissatisfaction with their manufacturers' new car targeting process as well as how realistic their expectations are regarding the volume of targets.

This report is a summary of the results of the NFDA Dealer Attitude Survey Winter 2020/2021. It gives an overview of the findings through the graphs and a brief analysis of the main questions. A full version of the report is available on request.

The survey was analysed by the National Franchised Dealers Association (NFDA). For more information, please email nfda@rmif.co.uk

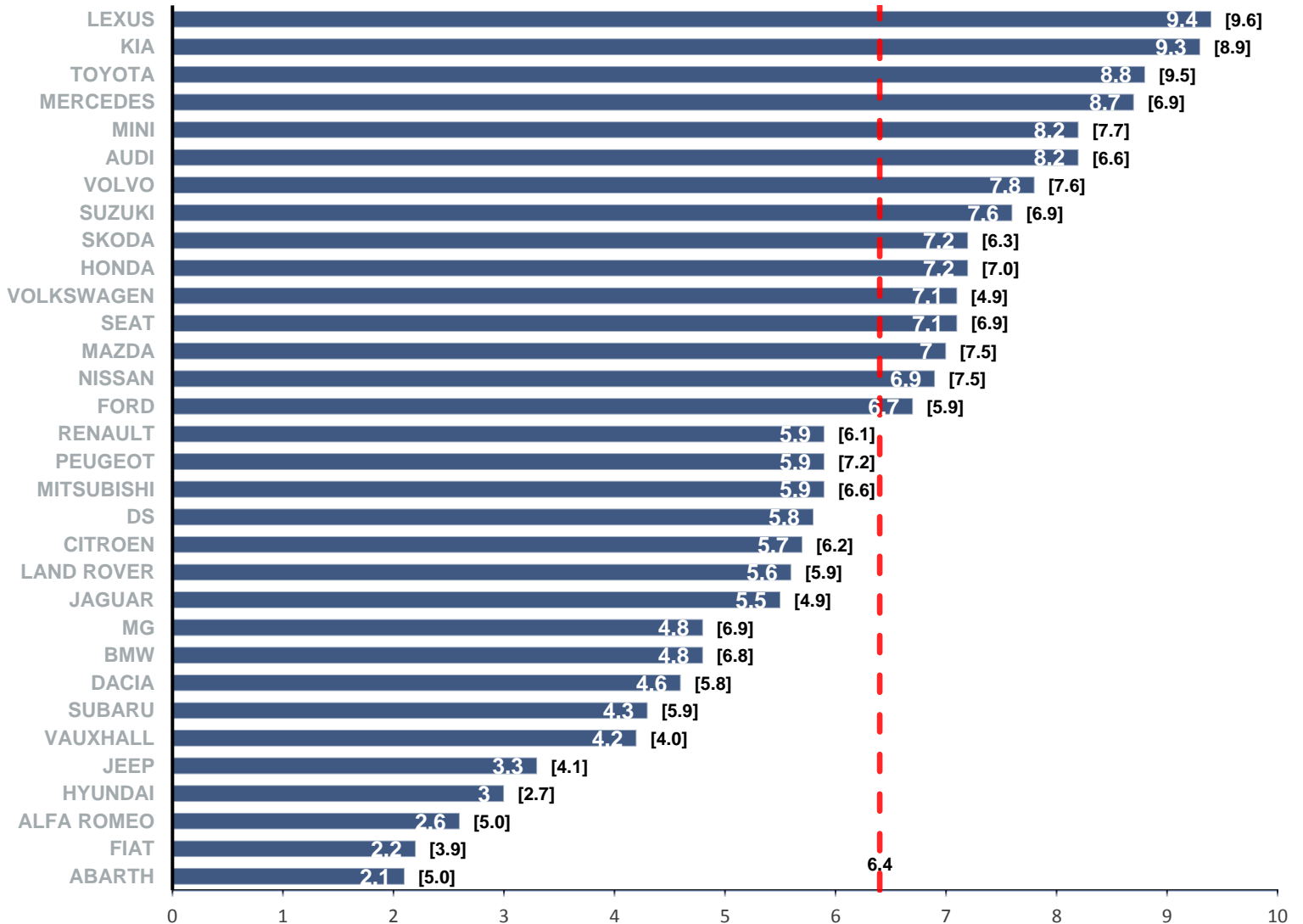
Sue Robinson

Chief Executive, National Franchised Dealers Association



Manufacturer support

How satisfied are you with the level of your manufacturer's support throughout the COVID-19 crisis?



Figures in black = Summer 2020
 Figures in white = Winter 2020/2021

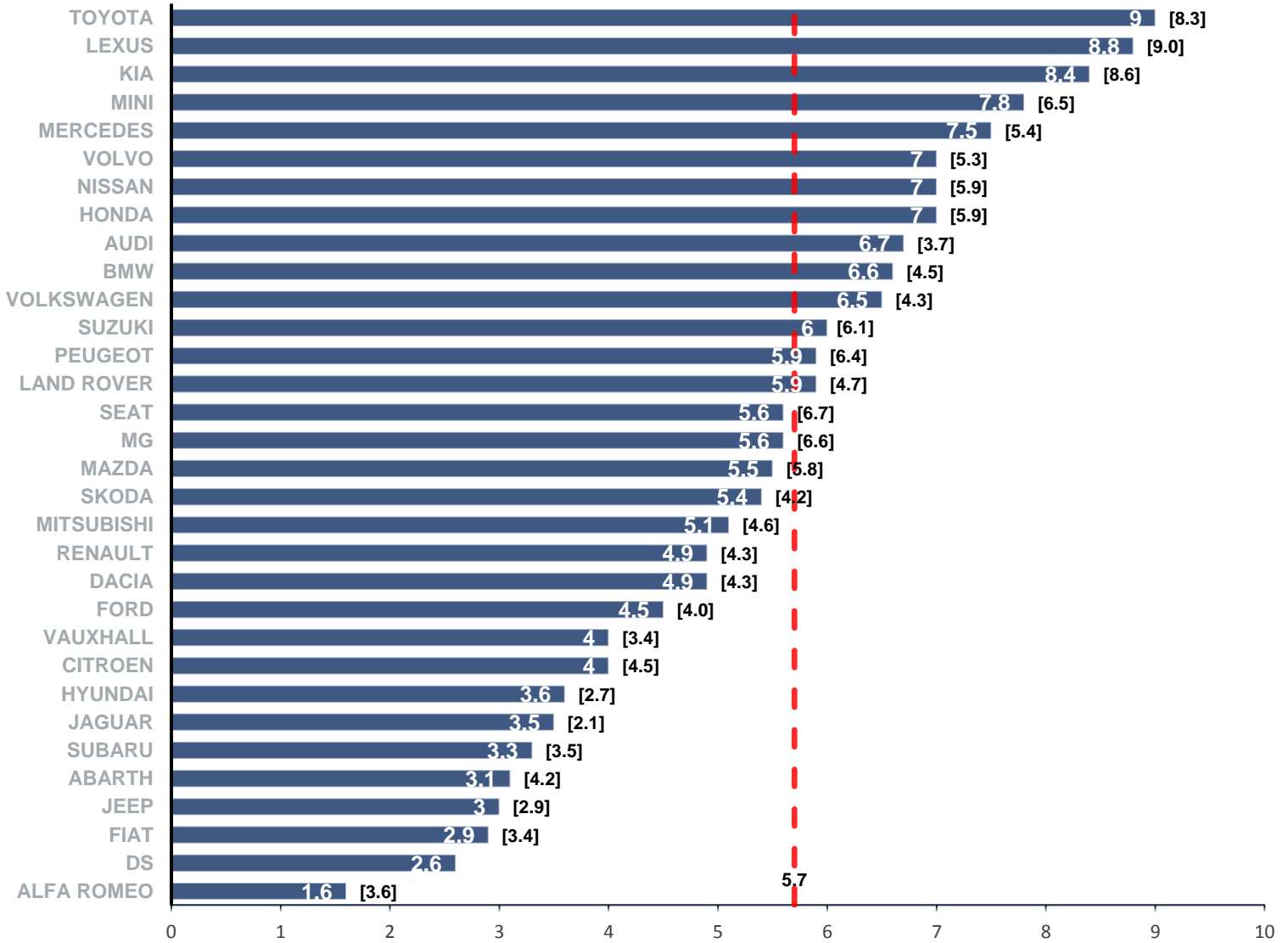
Biggest improvement:	Volkswagen	+2.2 points
Largest decline:	Abarth	-2.9 points
Average score:		6.4 points
Previous average:		6.4 points

Summary

Average dealers' satisfaction levels with the support they received throughout the COVID-19 crisis remained relatively high at 6.4 out of 10 points. There were 22 networks that scored above 5.0 points, with 10 scoring on or below that mark; 15 networks had improved satisfaction, while 15 declined.

Profit return

How satisfied are you with the current profit return from representing your business?



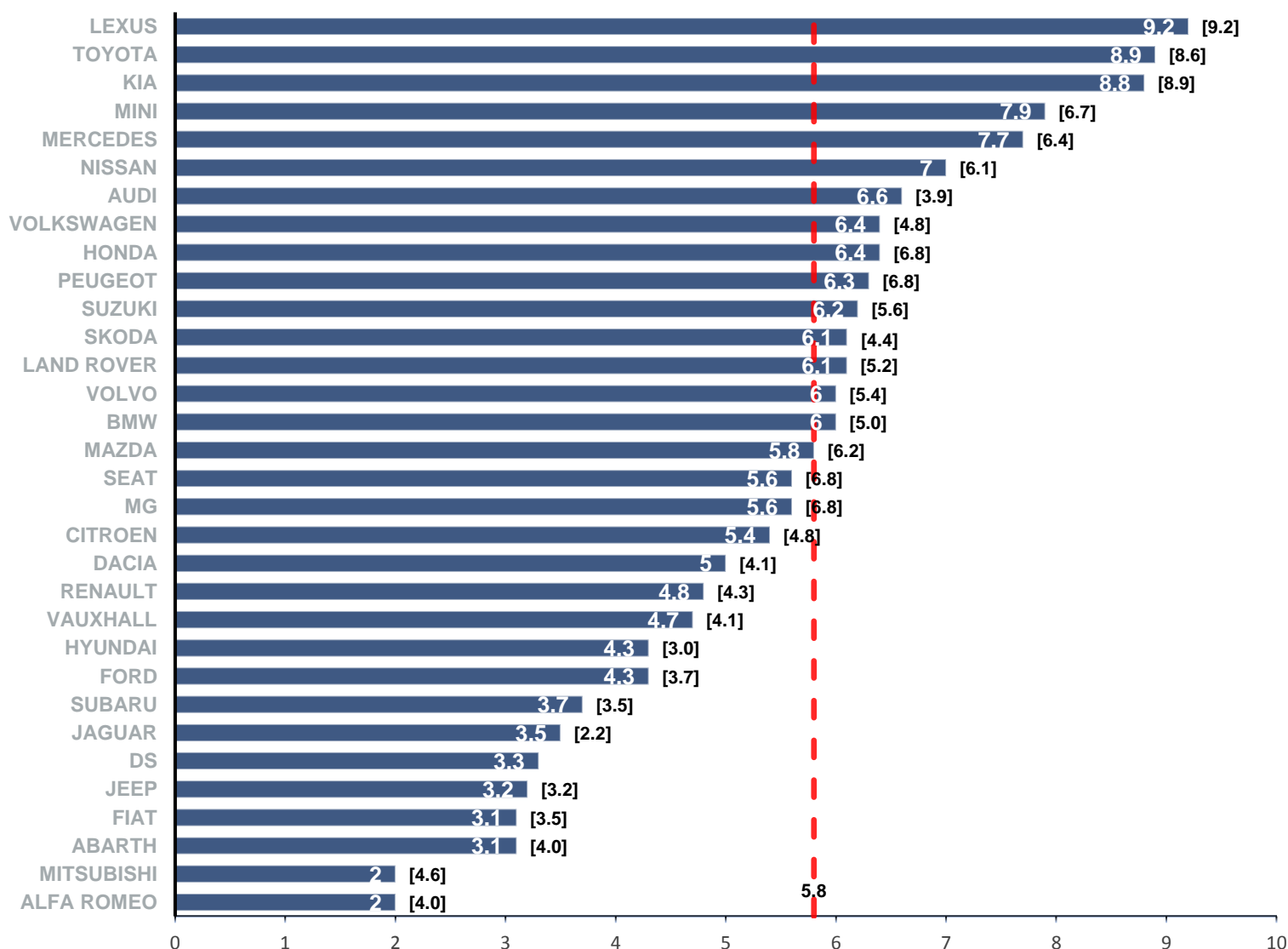
Biggest improvement:	Audi	+3.0 points
Largest decline:	Alfa Romeo	-2.0 points
Average score:		5.7 points
Previous average:		5.1 points

Summary

There has been an improvement in the average dealers' satisfaction with their current profit return, with a 0.6-point increase to 5.7 points, compared with the previous summer 2020 survey. There were 19 networks that saw their levels of satisfaction increase, while 12 decreased; 19 networks scored above 5.0 points, while 13 scored below.

Profit return

How satisfied are you with the future profit return from representing your business?



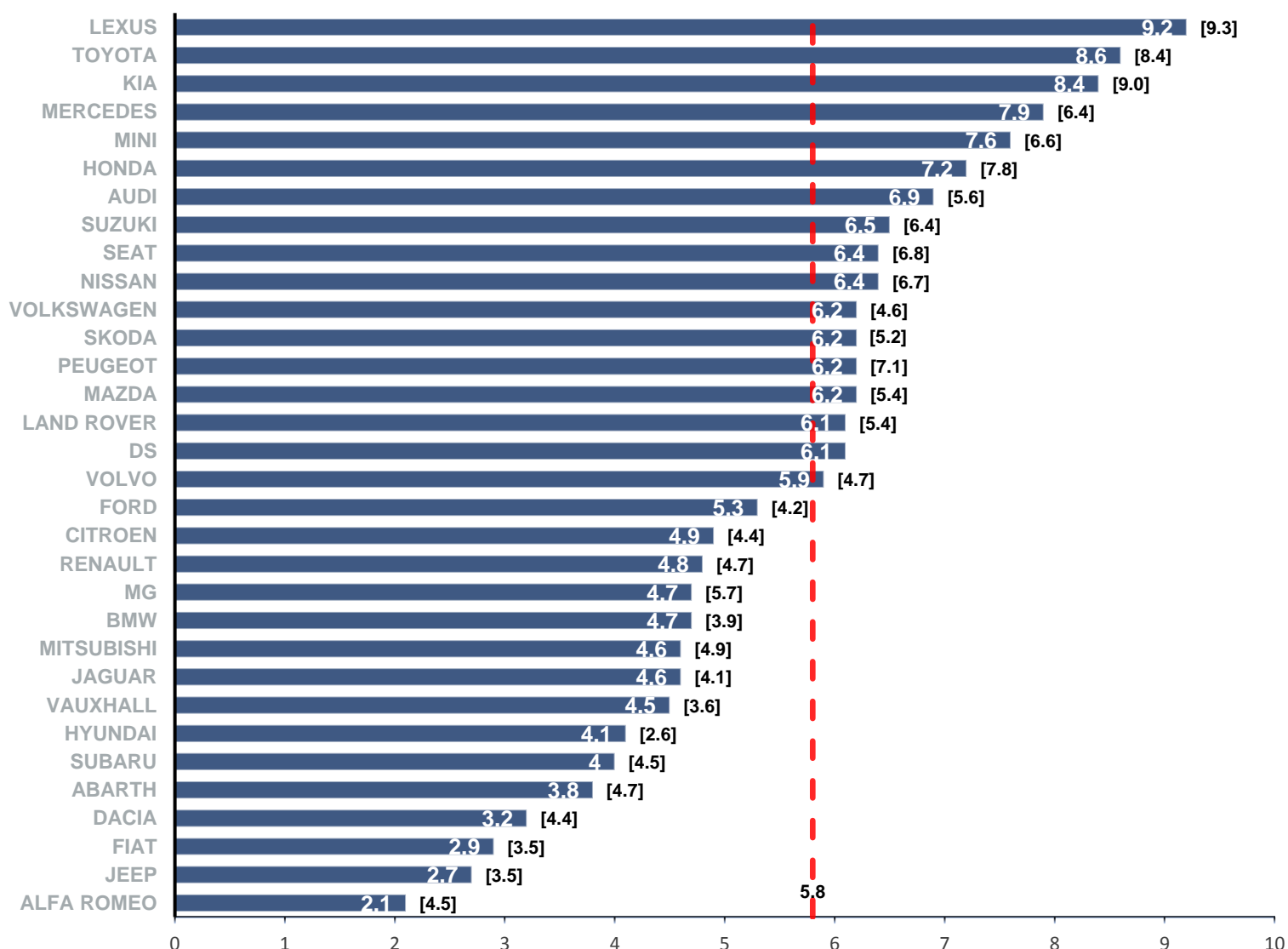
Biggest improvement:	Audi	+2.7 points
Largest decline:	Mitsubishi	-2.6 points
Average score:		5.8 points
Previous average:		5.3 points

Summary

Dealers' satisfaction with their predicted future profit return increased to an average score of 5.8 points, up from 5.3 points in the survey six months ago. There were 19 ratings that improved, with 10 of them declining, and 3 remaining the same; 20 networks scored above 5.0 points, whilst 12 were below that mark.

Profit return

How satisfied are you with your total margin on new vehicles?



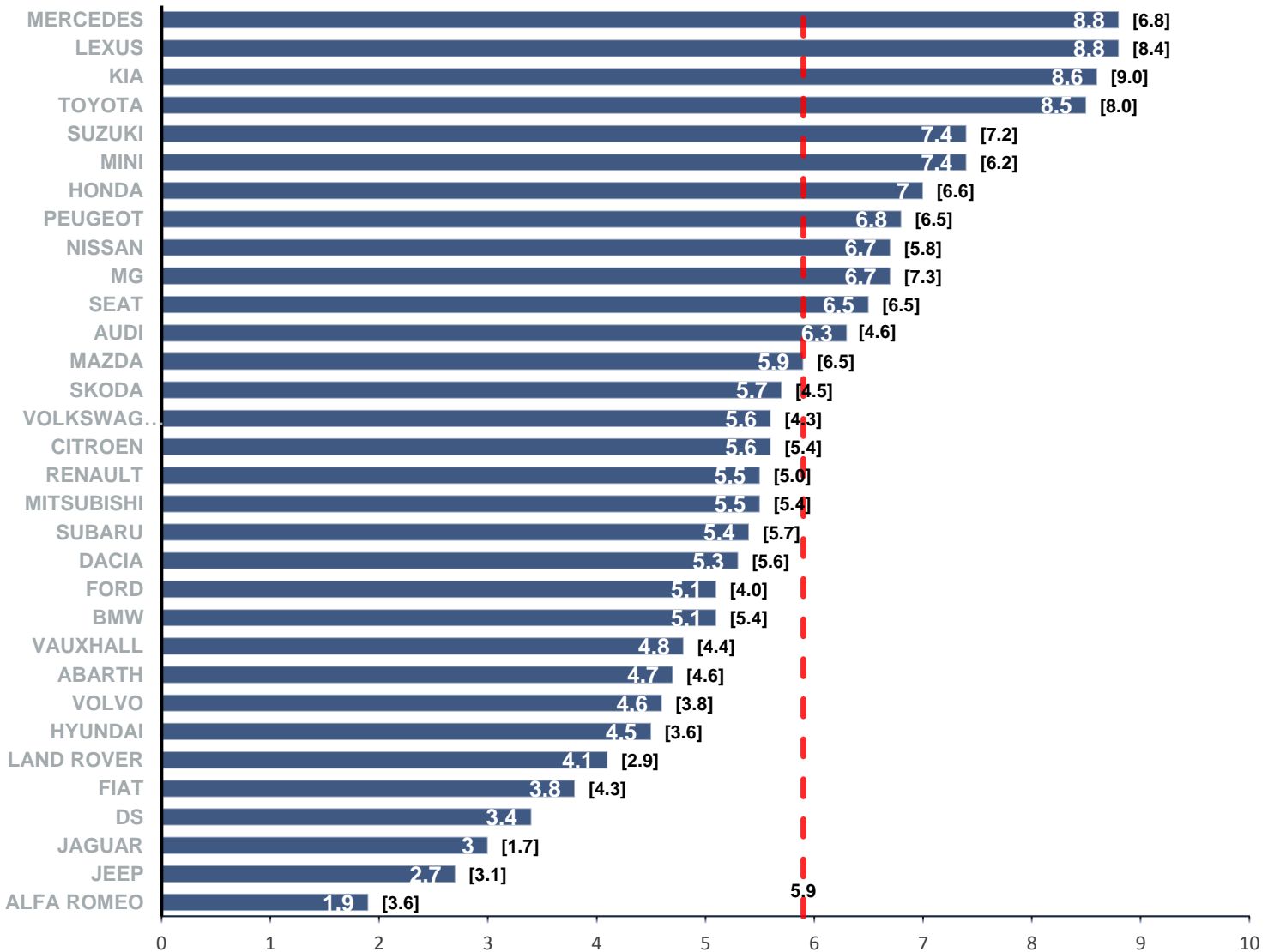
Biggest improvement:	Volkswagen	+1.6 Points
Largest decline:	Alfa Romeo	-2.4 points
Average score:		5.8 points
Previous average:		5.4 points

Summary

The average dealers' satisfaction with total margin on new vehicles went up by 0.4 points from the summer survey, to 5.8 points. Overall, 18 scores were above 5.0. There were 17 respondents with higher ratings than six months ago, whereas 14 experienced a decline.

Return on investment

How satisfied are you with the required level of capital investment?



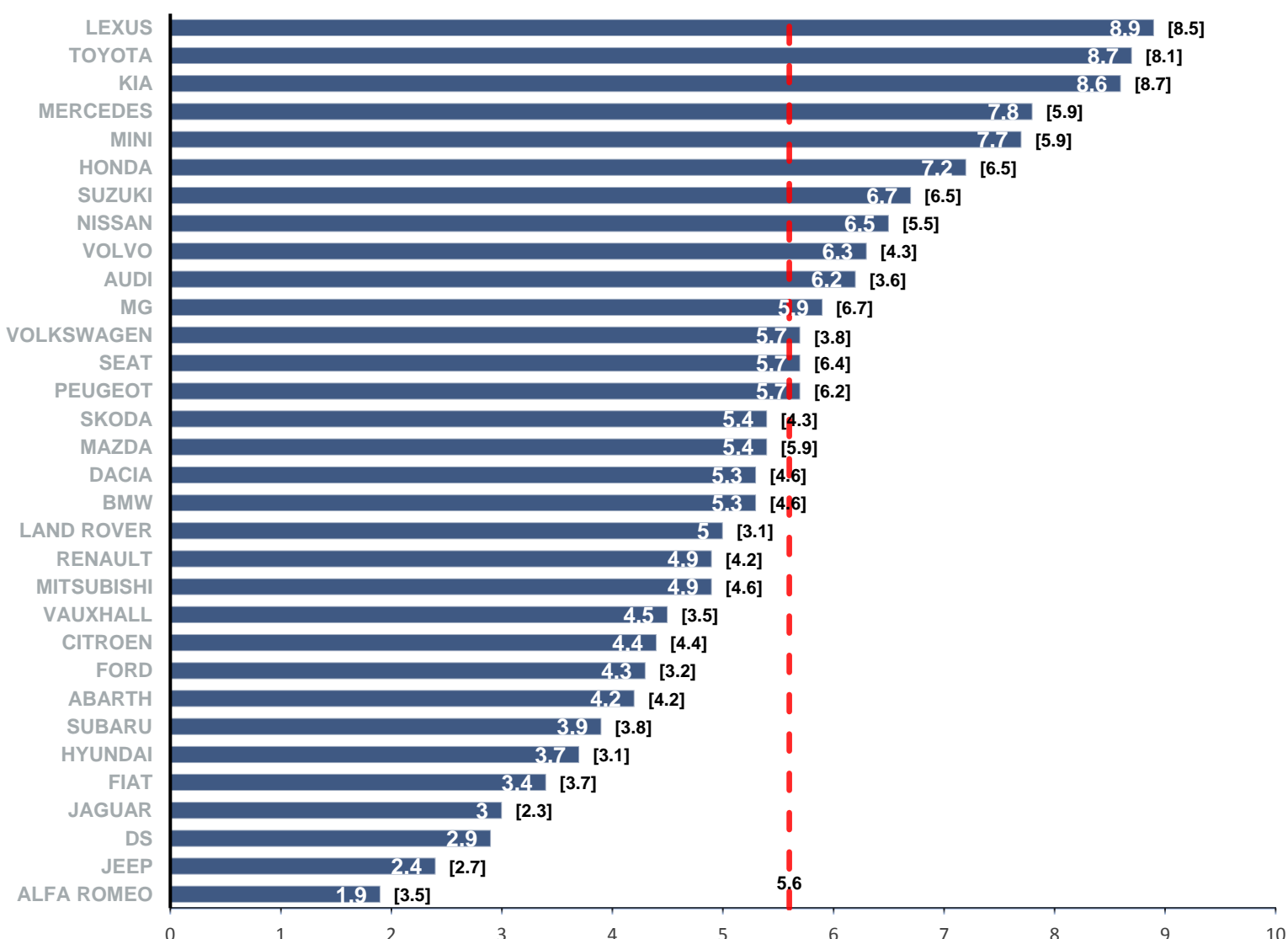
Biggest improvement:	Mercedes	+2.0 points
Largest decline:	Alfa Romeo	-1.7 points
Average score:		5.9 points
Previous average:		5.5 points

Summary

Average dealers' satisfaction levels with the required level of capital investment saw an increase of 0.4 points from the summer survey to 5.9 points. Eight scores experienced a decrease compared to six months ago, while 22 increased, and 2 remained the same. Out of all the surveyed dealer networks, 10 were on or below 5.0 and 22 were above.

Return on investment

How satisfied are you with the return on capital for your dealership?



Biggest improvement: Audi +2.6 points

Largest decline: Alfa Romeo -1.6 points

Average score: 5.6 points

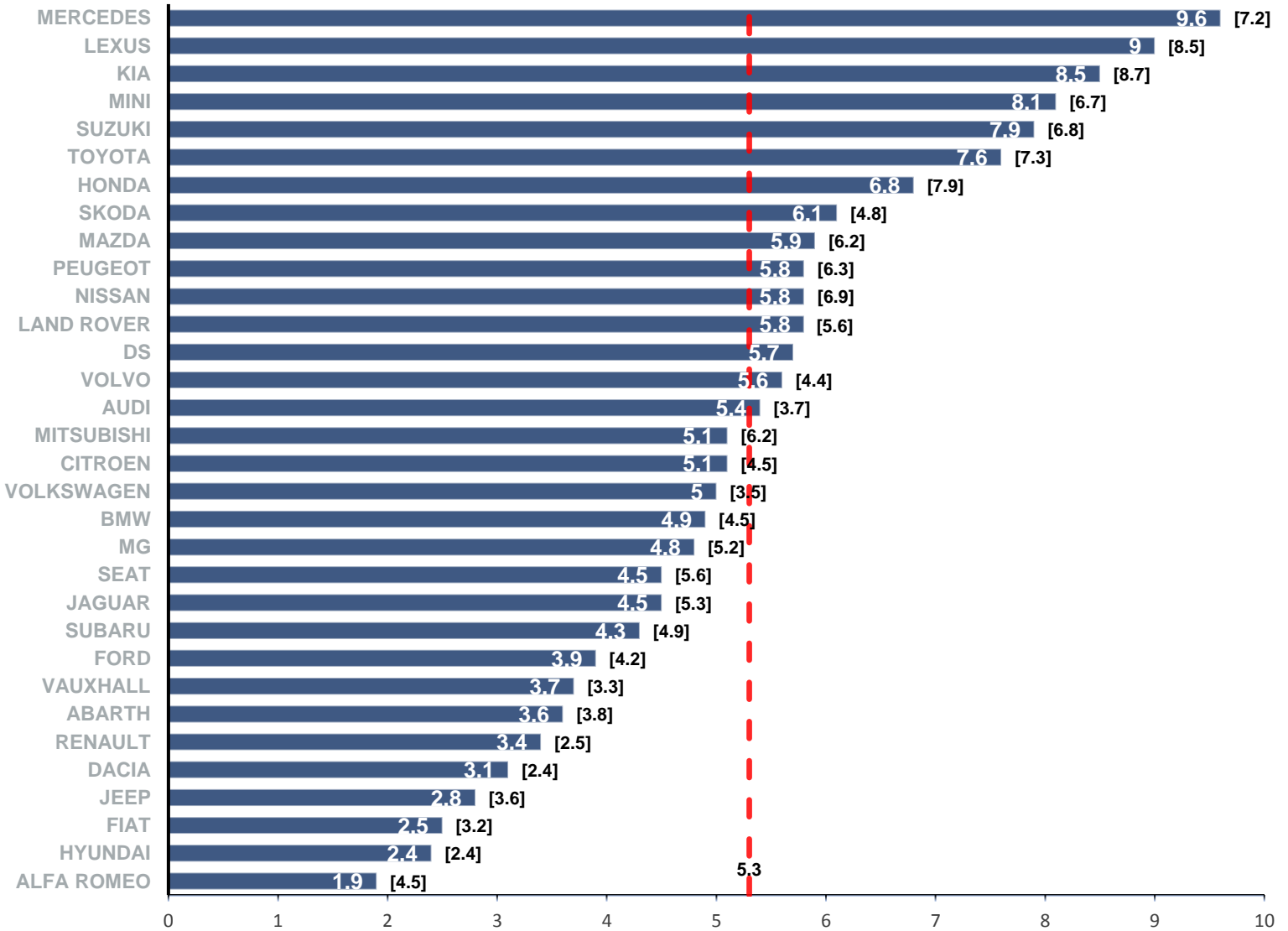
Previous average: 5.0 points

Summary

Average dealers' satisfaction levels with the return on capital for their dealership increased by 0.6 points from the previous edition of the survey. Overall, 14 respondents gave a score of 5.0 or lower, while the remaining 18 were above that mark. There were 8 responses that experienced a decrease from the summer 2020 survey, 21 increased and 2 remained the same.

Targets

How satisfied are you that the volume target aspirations of your manufacturer are realistic?



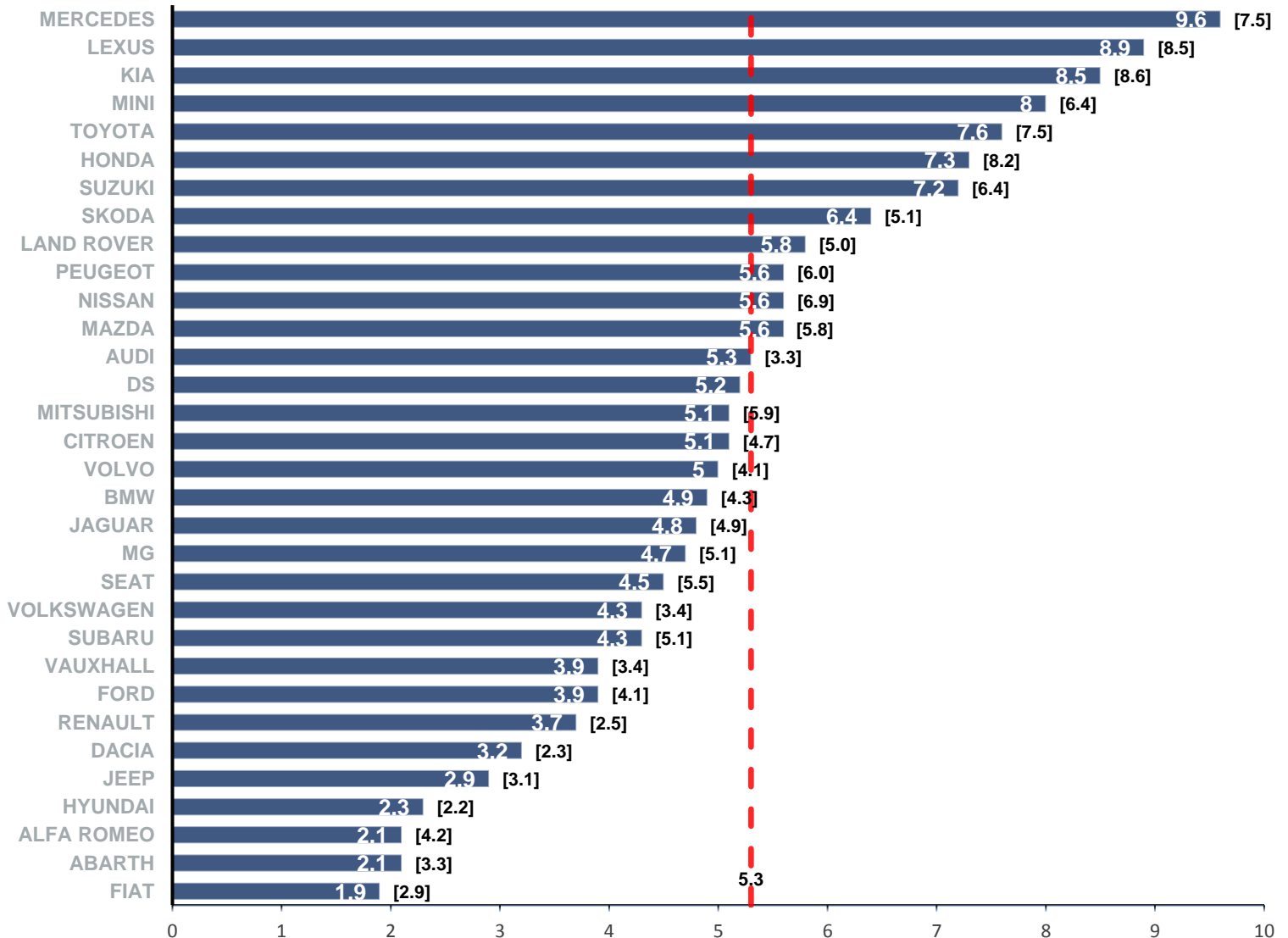
Biggest improvement:	Mercedes	+2.4 points
Largest decline:	Alfa Romeo	-2.6 points
Average score:		5.3 points
Previous average:		5.1 points

Summary

Average dealers' satisfaction levels with their manufacturers' target aspirations improved by 0.2 points from the summer survey. There were 17 ratings above 5.0. Overall, 15 ratings increased from six months ago, with an equal number decreasing and 1 remaining the same.

Targets

How satisfied are you with your new car targeting process?



Biggest improvement: Mercedes + 2.1 points

Largest decline: Alfa Romeo -2.1 points

Average score: 5.3 points

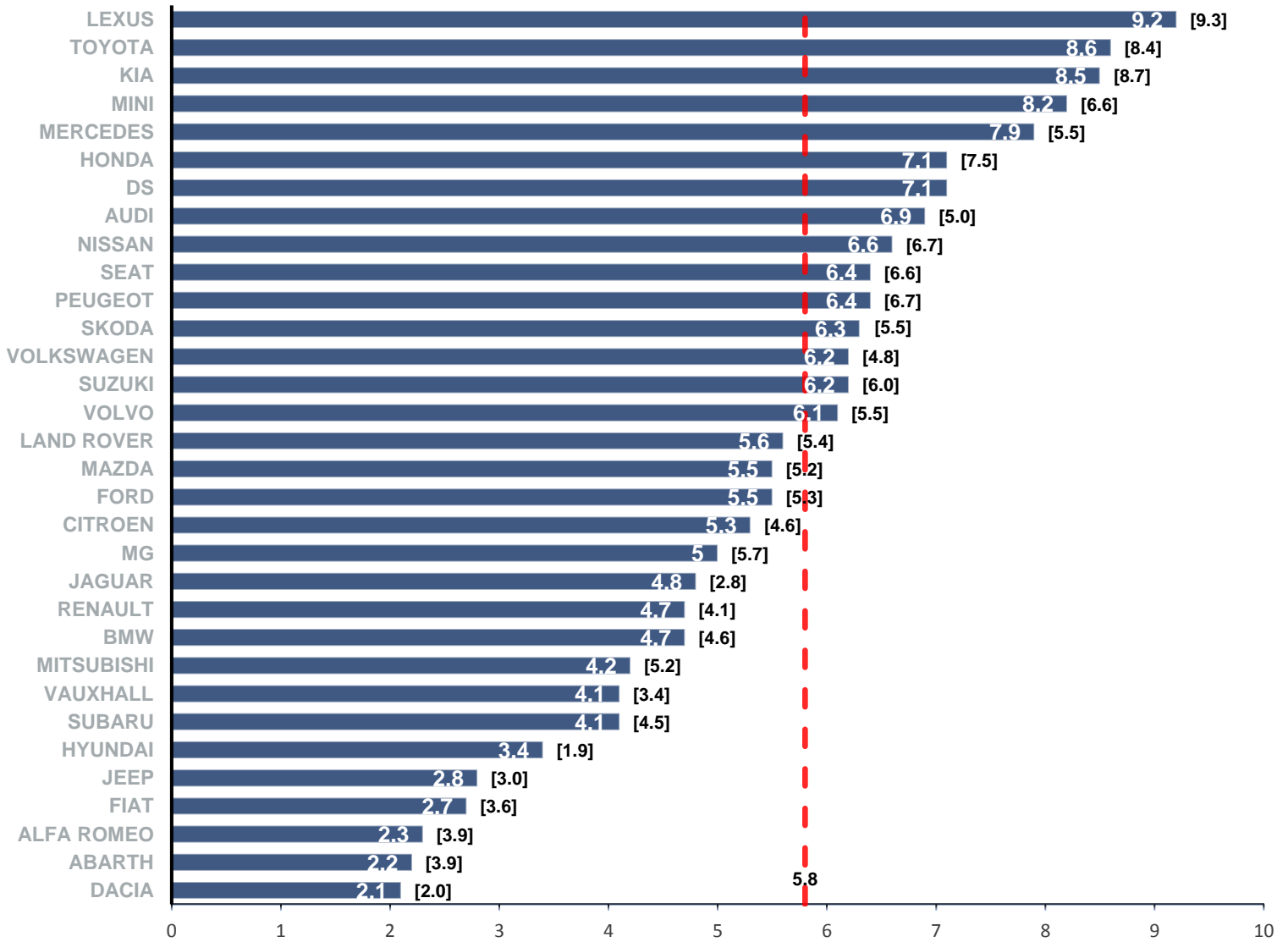
Previous average: 5.0 points

Summary

The average dealers' satisfaction with their new car targeting process increased by 0.3 points from six months ago to 5.3 points. There was an even split of ratings above and below 5.0 points, with 16 respondents on either side; 16 ratings also had a score which was higher than the previous survey.

Incentives

How satisfied are you with your current bonus and rebate rates on new car sales?



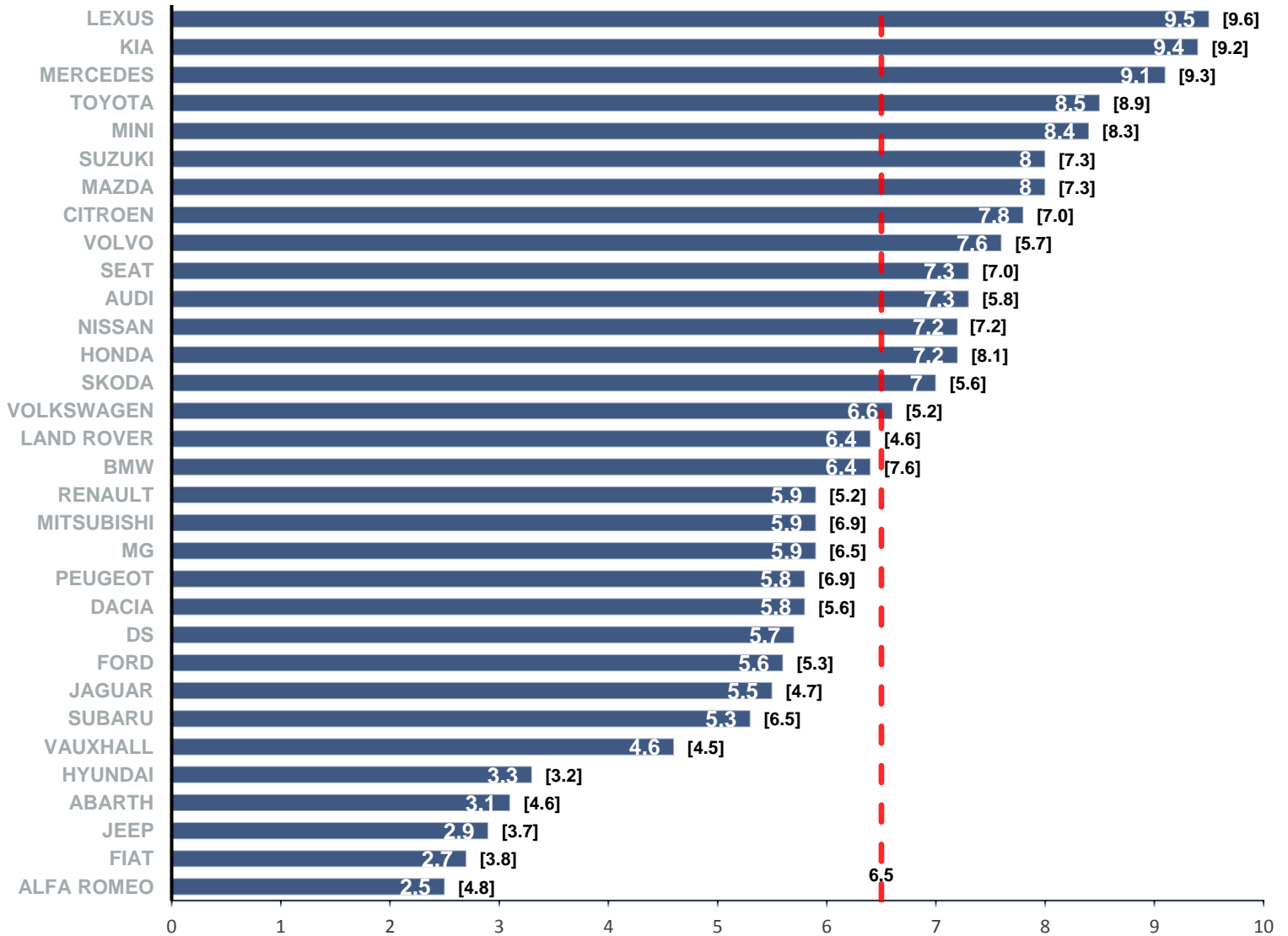
Biggest improvement:	Mercedes	+2.4 points
Largest decline:	Abarth	-1.7 points
Average score:		5.8 points
Previous average:		5.4 points

Summary

There has been an average 0.4 points increase from the summer survey, to 5.8 points, with a total of 19 ratings above 5.0 points. Overall, a clear majority of manufacturers, 18 of them, saw their scores increase, whilst 13 experienced a decline.

Day-to-day working relationship

How satisfied are you with your ability to do business with your manufacturer on a day-to-day basis?



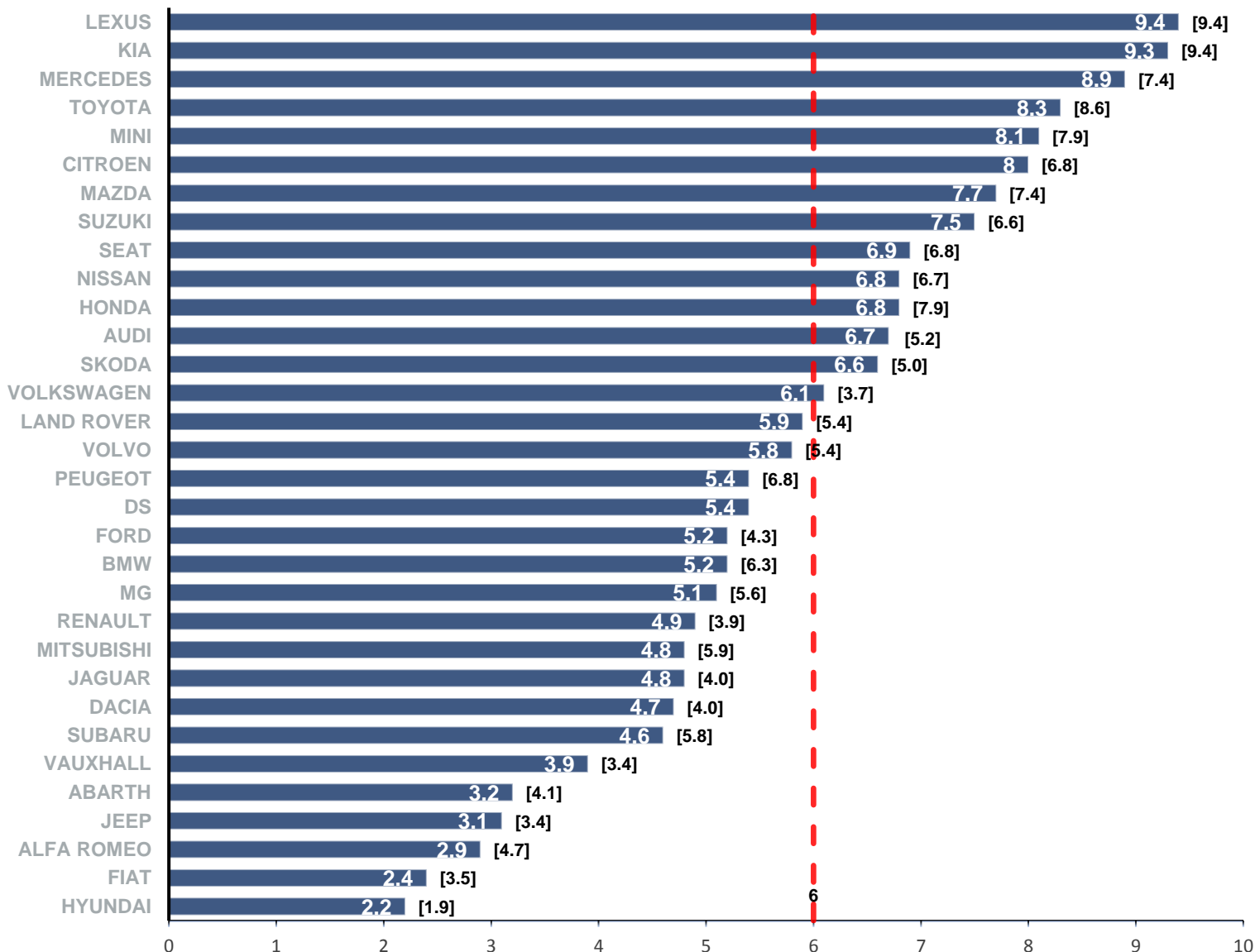
Biggest improvement:	Volvo	+1.9 points
Largest decline:	Alfa Romeo	-2.3 points
Average score:		6.5 points
Previous average:		6.4 points

Summary

The ability to do business on a day-to-day basis is a key aspect of the dealer/manufacturer relationship. The average score increased by 0.1 point from six months ago. Most manufacturers had higher ratings than 5.0, with 26 responses above the middle score. Over half of the respondents, 17, saw higher scores than the summer 2020 survey, whilst 13 declined and 1 remained unchanged.

Day-to-day working relationship

How satisfied are you that the management of your manufacturer takes dealers' views and opinions into account?



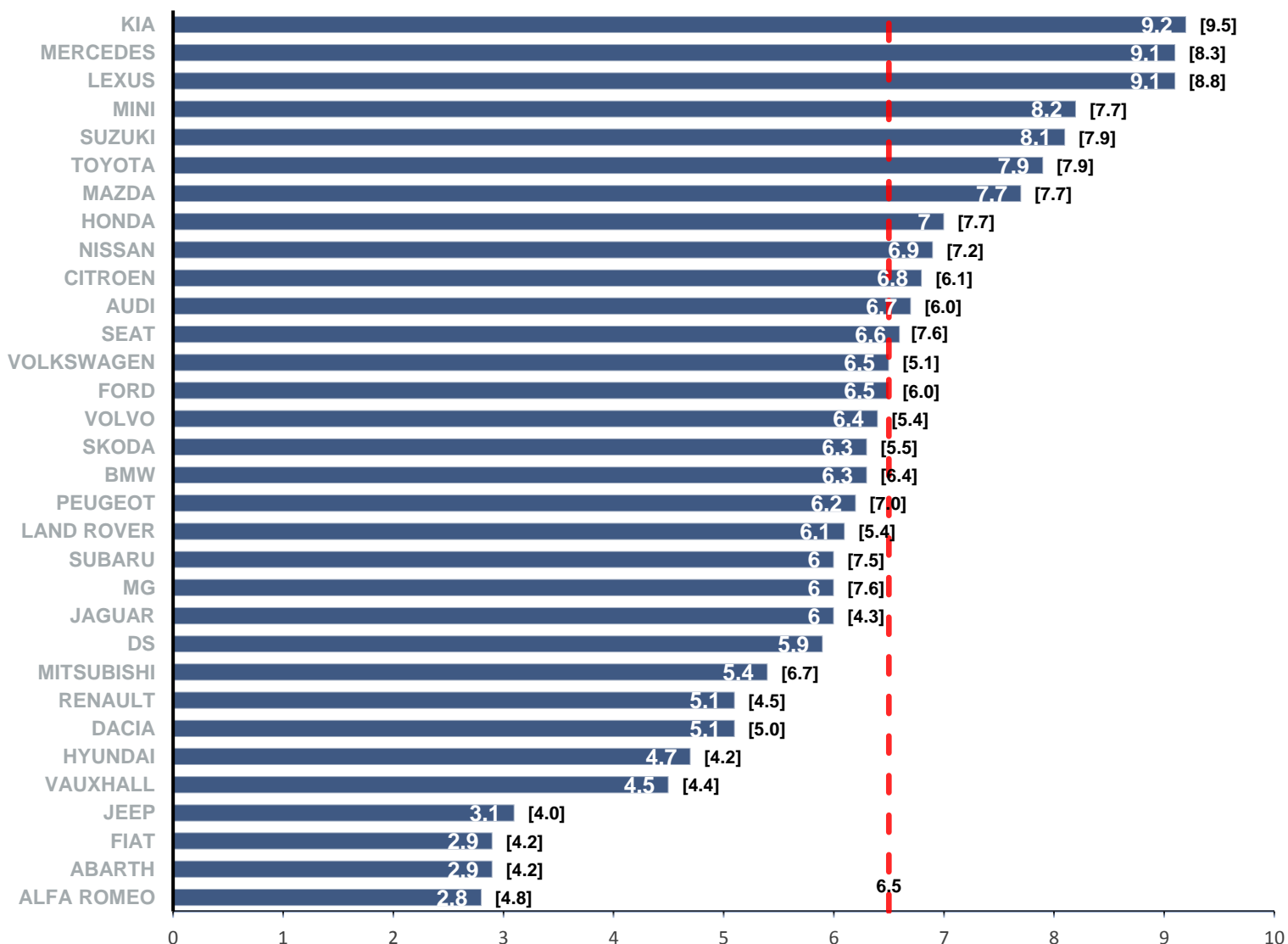
Biggest improvement:	Volkswagen	+2.4 points
Largest decline:	Alfa Romeo	-1.8 points
Average score:		6.0 points
Previous average:		5.7 points

Summary

Dealers have increased positivity about their manufacturers taking the networks' views and opinions into account as shown through the improved average score of 6.0. There were 21 responses with scores greater than 5.0. Overall, 13 responses declined, with 17 improving and 1 remaining the same.

Standards and performance measures

How satisfied are you that your manufacturer dealer standards are fair and reasonable?



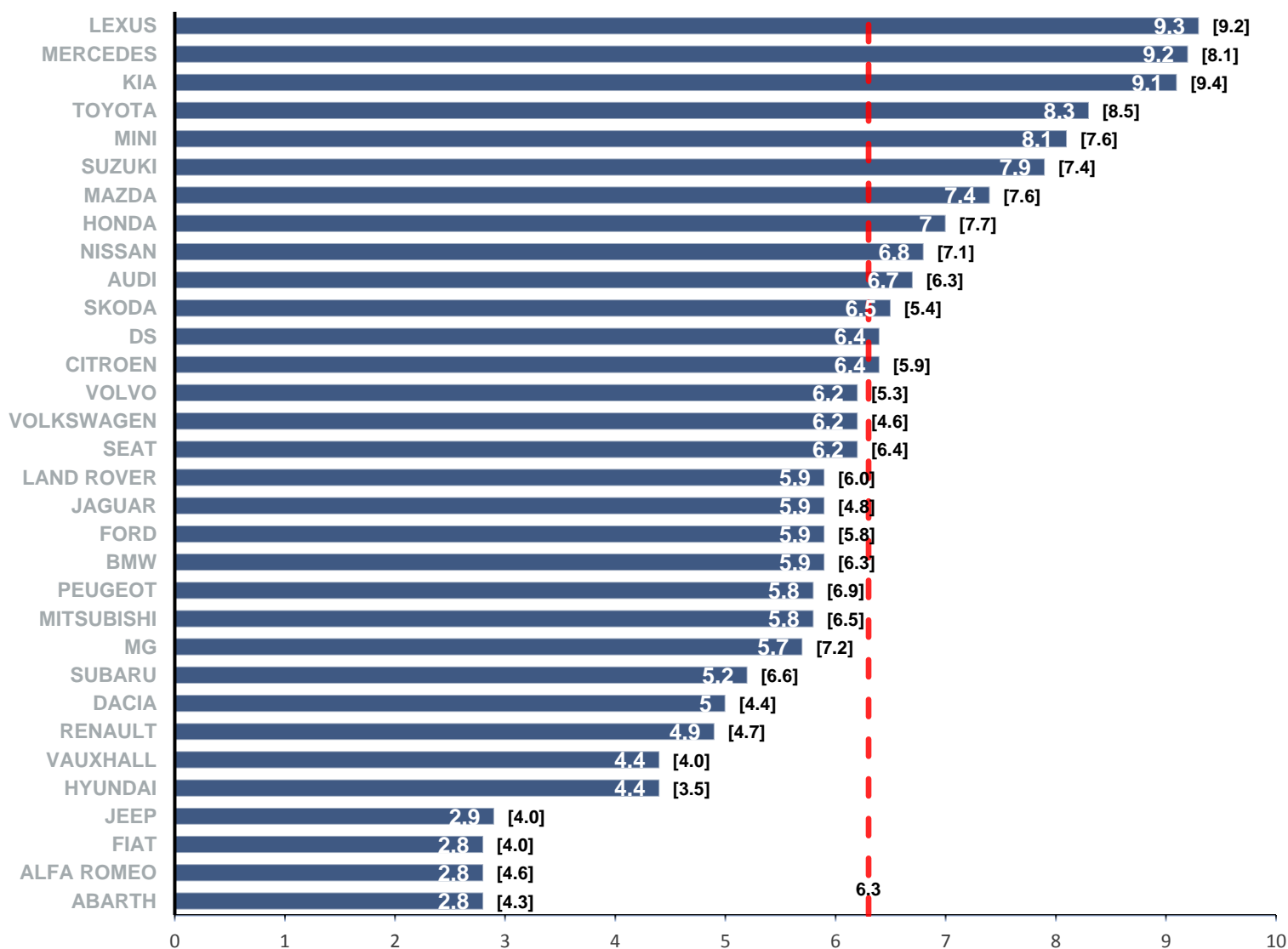
Biggest improvement:	Jaguar	+1.7 points
Largest decline:	Alfa Romeo	-2.0 points
Average score:		6.5 points
Previous average:		6.3 points

Summary

The average score concerning dealers' satisfaction with this aspect of manufacturers' standards saw an increase of 0.2 from the summer 2020 survey, to 6.5 points. There were 26 responses above 5.0 and 6 below. Out of all the surveyed dealer networks, 16 had increased satisfaction scores compared with six months ago, 13 decreased and 2 remained the same.

Standards and performance measures

How satisfied are you that the performance measures used by your manufacturer on your business are fair and reasonable?



Biggest improvement: Volkswagen +1.6 points

Largest decline: Alfa Romeo -1.8 points

Average score: 6.3 points

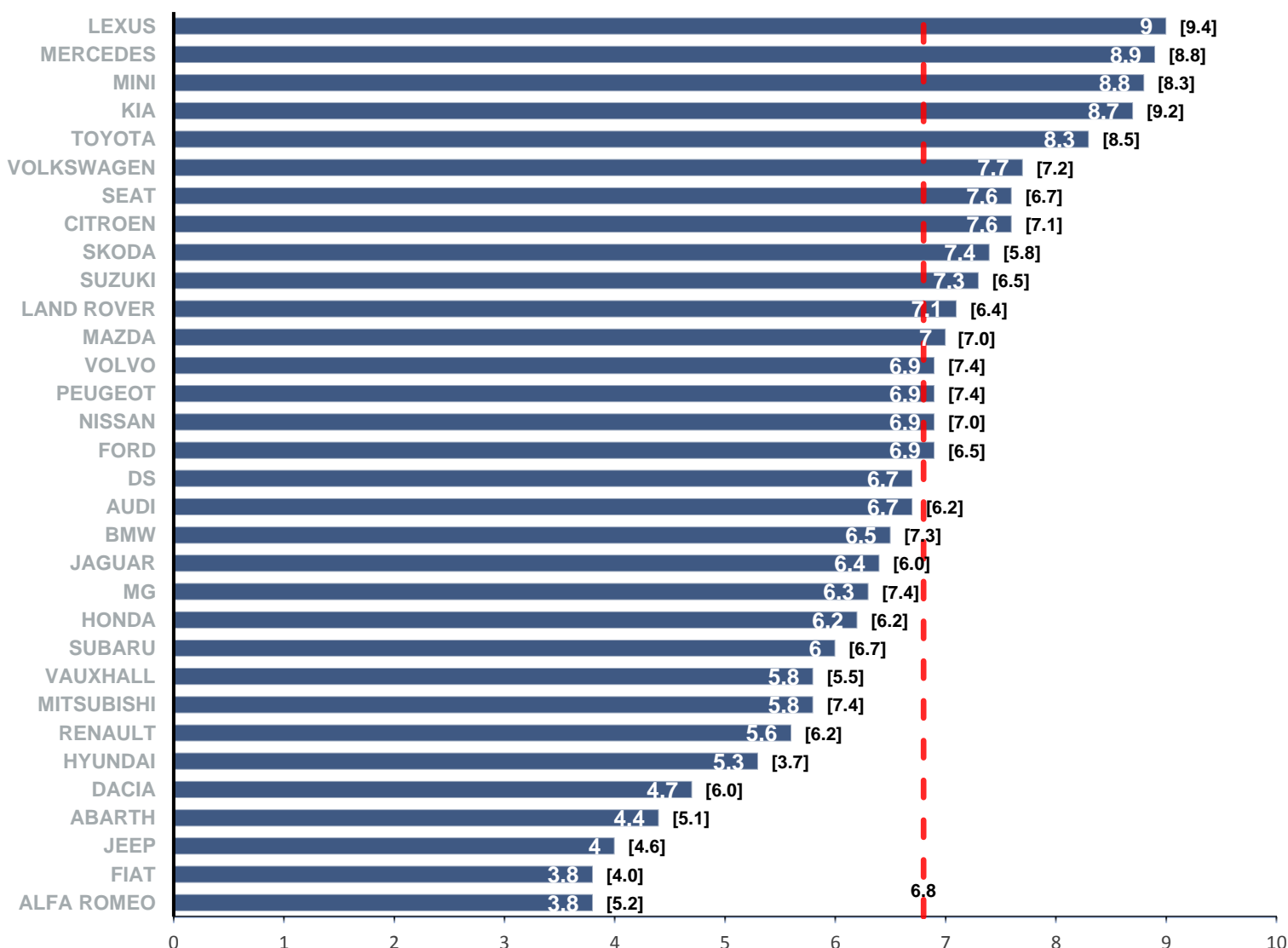
Previous average: 6.2 points

Summary

In this area, where dealers evaluate the standard and performance measures used by manufacturers, the dealer average score increased slightly to 6.3 points. There were 24 ratings above 5.0; 16 scores decreased from the summer survey and 15 grew.

Training

How satisfied are you with the quality of your manufacturer's training?



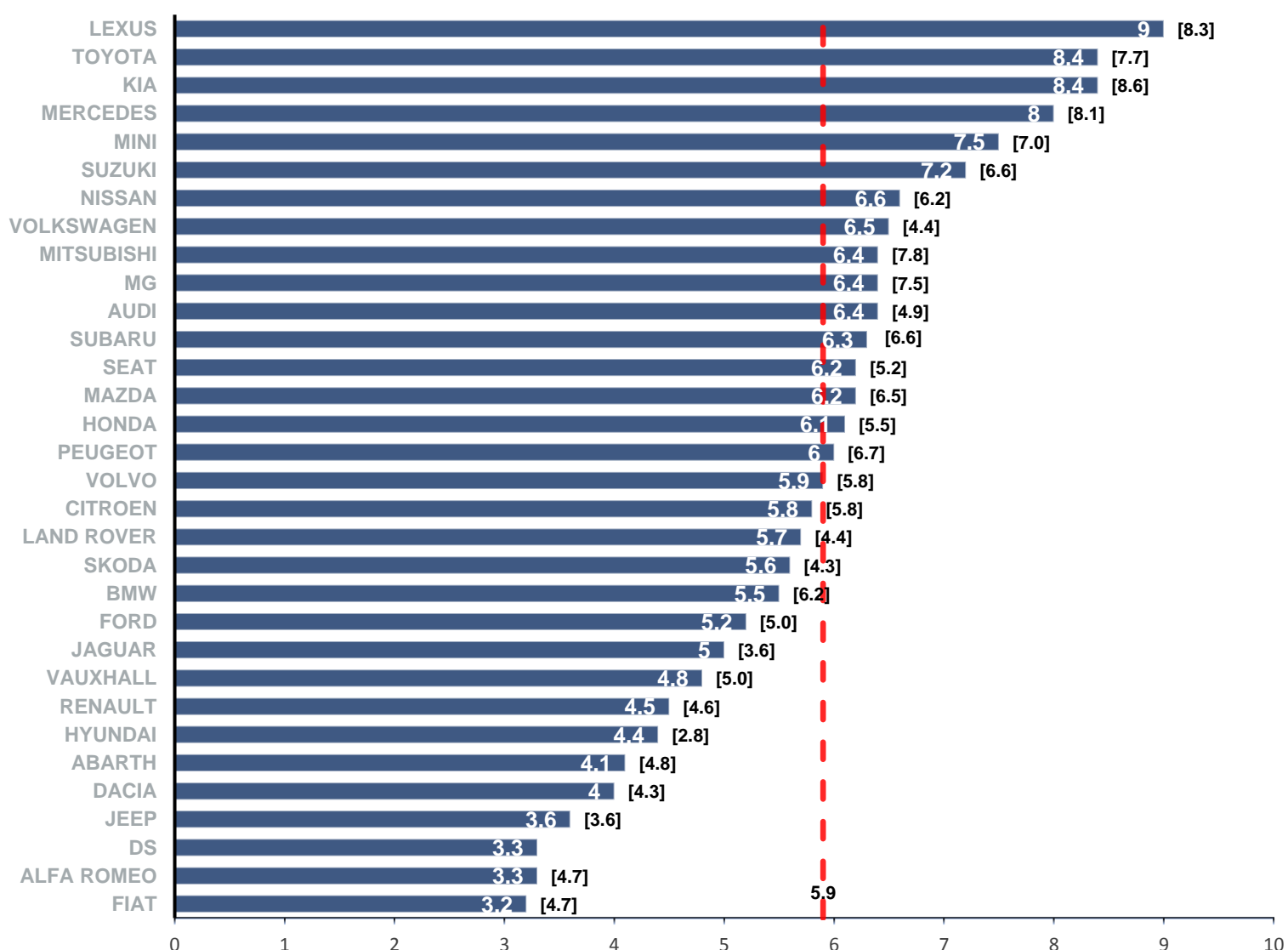
Biggest improvement:	Skoda / Hyundai	+1.6 points
Largest decline:	Mitsubishi	-1.6 points
Average score:		6.8 points
Previous average:		6.7 points

Summary

Retailers continued to be satisfied with the quality of their manufacturers' training programme with the average score increasing to 6.8 points. The high score was reflected through 27 of the respondents rating above 5.0. In general, 13 networks saw an improvement from the previous survey, 16 declined and 2 remained the same.

Training

How satisfied are you with the cost of your manufacturer's training?



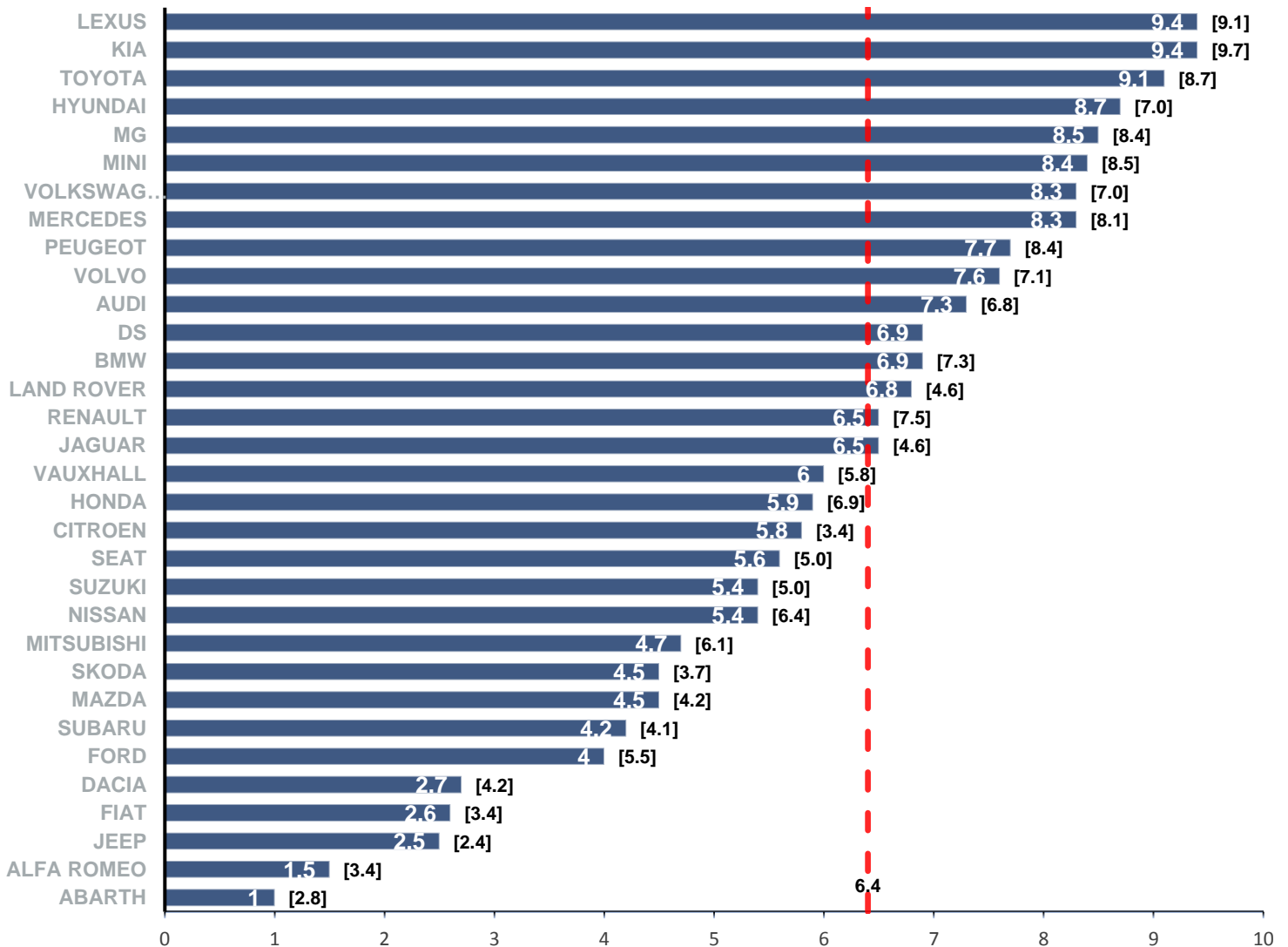
Biggest improvement:	Mitsubishi / Jaguar	+1.4 points
Largest decline:	Fiat	-1.5 points
Average score:		5.9 points
Previous average:		5.7 points

Summary

The average dealers' satisfaction with the cost of their manufacturers' training rose by 0.2 points to 5.9. There were 22 ratings above 5.0 and 10 on or below; 14 dealer networks saw their levels of satisfaction increase, while 15 declined, and 2 did not change.

Future directions

How satisfied are you with your alternative fuel vehicle offering?



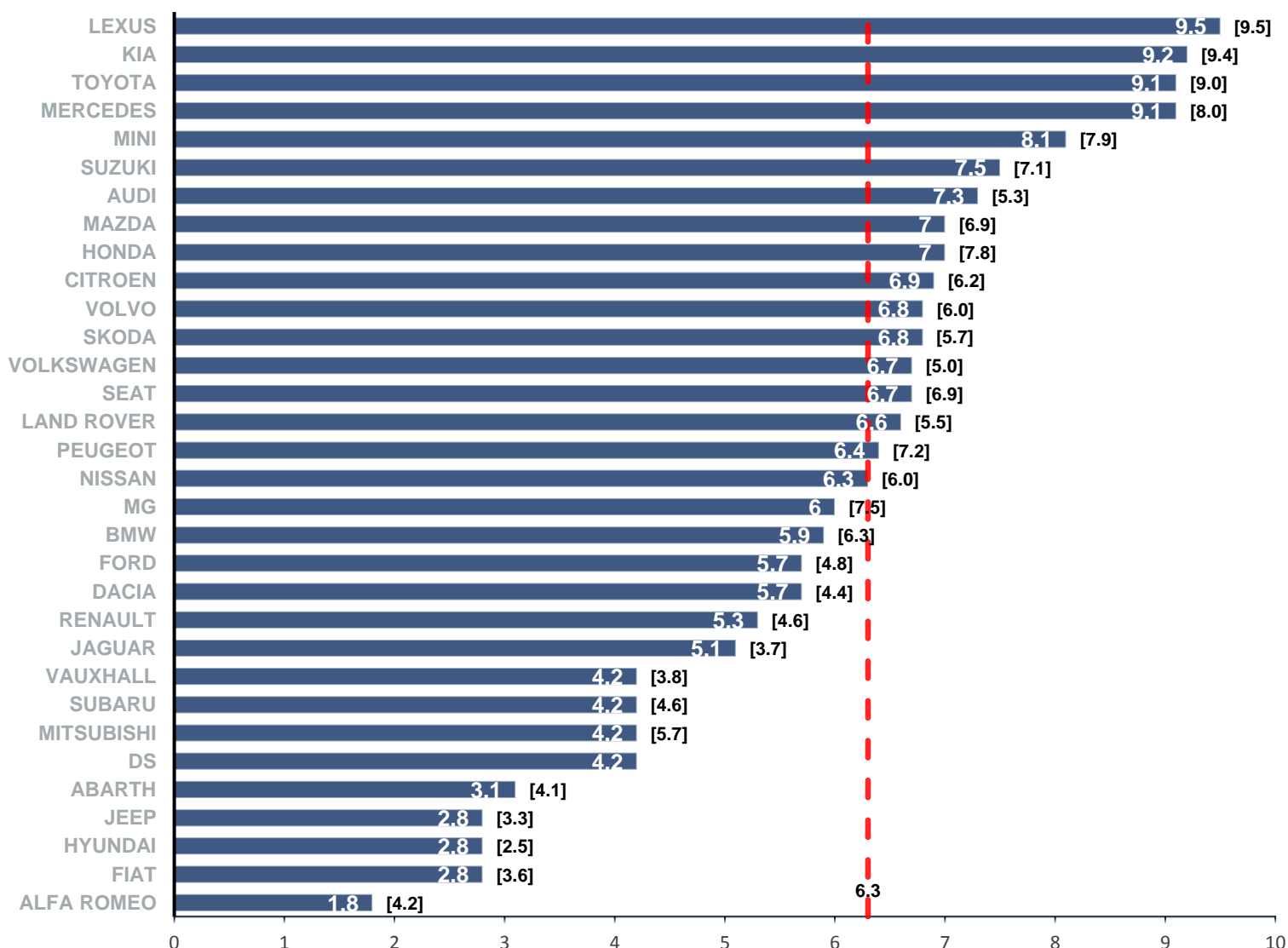
Biggest improvement:	Citroen	+2.4 points
Largest decline:	Alfa Romeo	-1.9 points
Average score:		6.4 points
Previous average:		6.5 points

Summary

The average dealers' satisfaction with their manufacturers' alternative fuel vehicle offering dipped by 0.1 point from six months ago. There were 22 scores above 5.0 and 10 on or below; 16 ratings increased, while 15 declined.

Overall scores

How would you rate your manufacturer overall on a scale of 1 to 10?



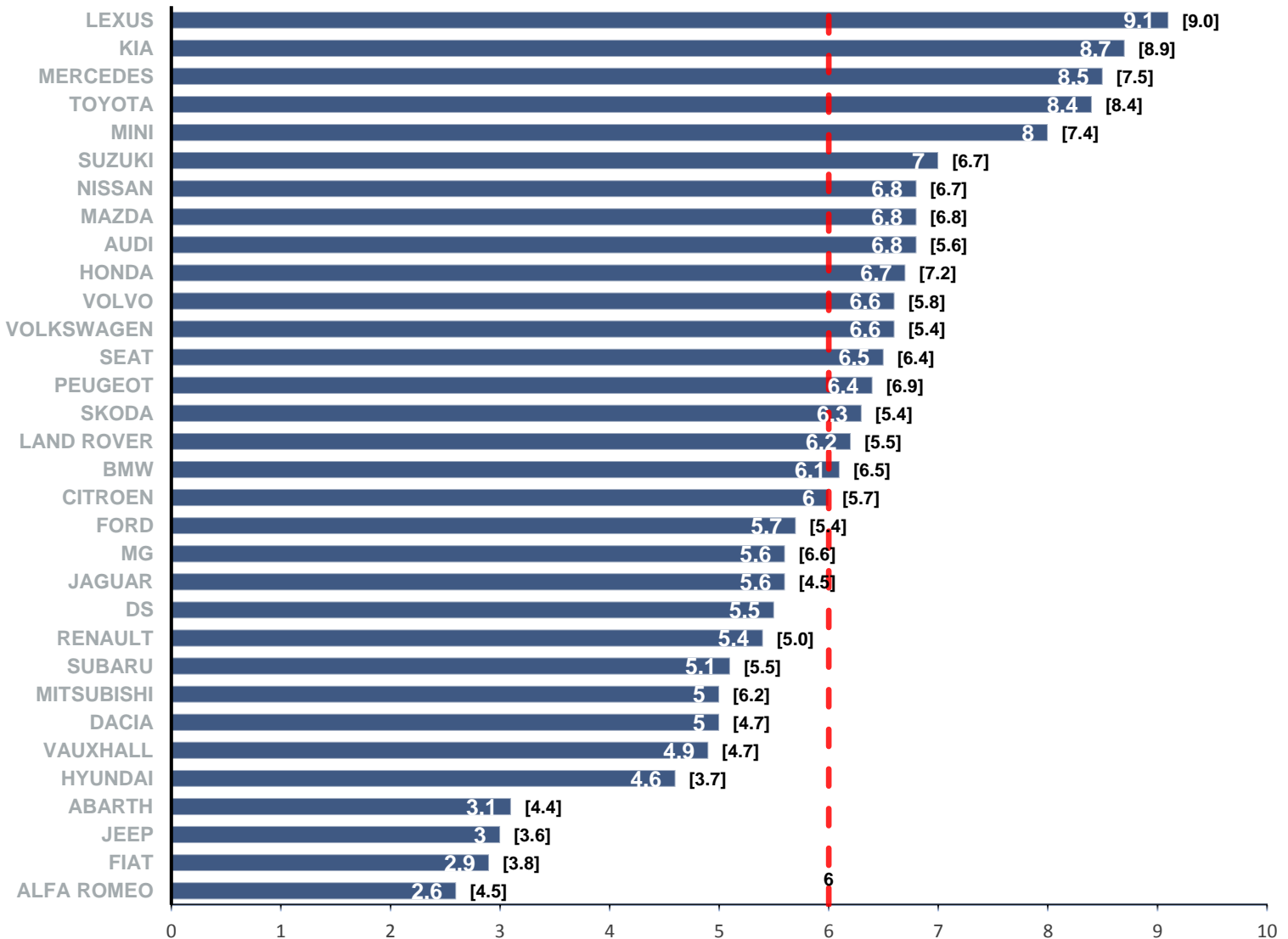
Biggest improvement:	Audi	+2 points
Largest decline:	Alfa Romeo	-2.4 points
Average score:		6.3 points
Previous average:		6.0 points

Summary

The average score given to the all-important question ‘how would you rate your manufacturer overall?’ Increased again, this time by 0.3 points from the previous survey, to 6.3. A total of 23 ratings were above 5.0, with 9 on or below. Overall, 12 scores declined, 18 improved, and 1 remained the same.

Overall scores

Average score across all questions



Biggest improvement:	Audi	+1.2 points
Largest decline:	Alfa Romeo	-1.9 points
Average score:		6.0 points
Previous average:		5.9 points

Summary

The average score across all questions of the survey gives a clear idea of the overall performance of each manufacturer. Across the survey, there was an average increase of 0.1 point compared to six months ago, to an overall average score of 6.0 points. Over two-thirds of the dealer networks surveyed gave scores above 5.0.



201 Great Portland Street, London, W1W 5AB

T: 0207 5809 1222

E: nfda@rmif.co.uk

www.nfda-uk.co.uk

