



National Franchised Dealers Association

Dealer Attitude Survey

Summer 2023

Overall Manufacturer Rating

Q12: How would you rate your manufacturer overall on a scale of 1-10?

6.3

is the overall rating for the Summer 2023 survey - this is **lower than the Winter 2022 survey** which scored 6.5 out of 10

-3.1%

is the **overall rating decrease** compared to the previous survey

Kia

scored the highest overall rating at **9.5 pts** - retaining the **top spot since the last survey**

DS

decreased the most at -62.5% and **scored the least** with a rating of **1.5 pts**

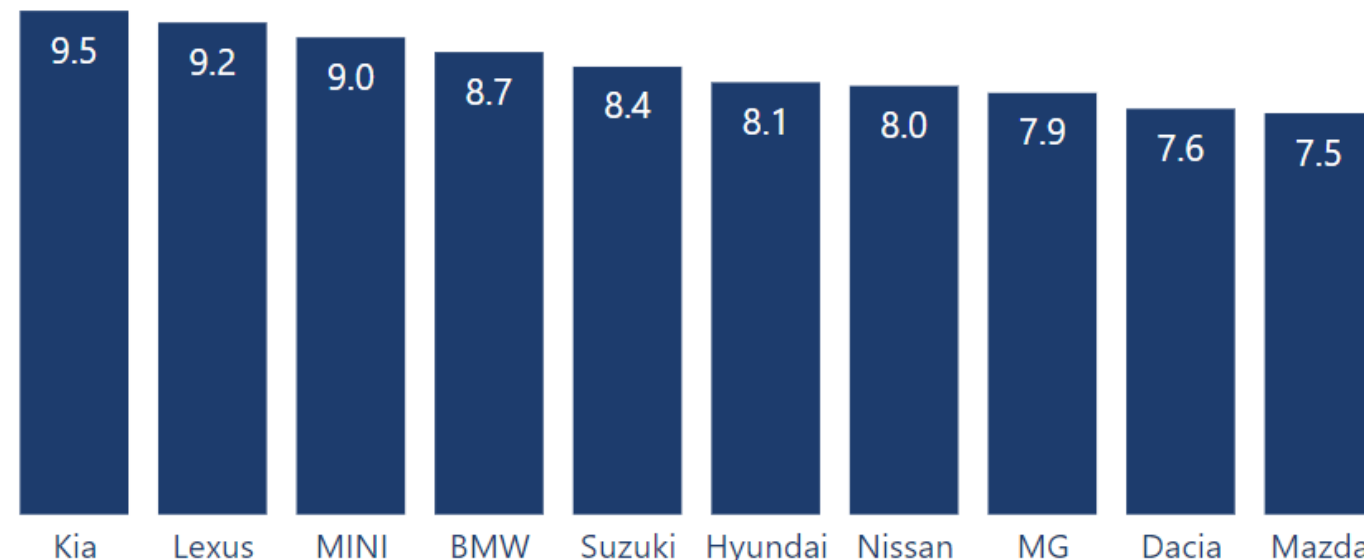
Audi

improved the most with a **+26% increase** in rating from the last survey

-3%

is the **overall decrease for Q13: Likelihood to recommend brand**

Top & Bottom 10 Overall Manufacturer ratings

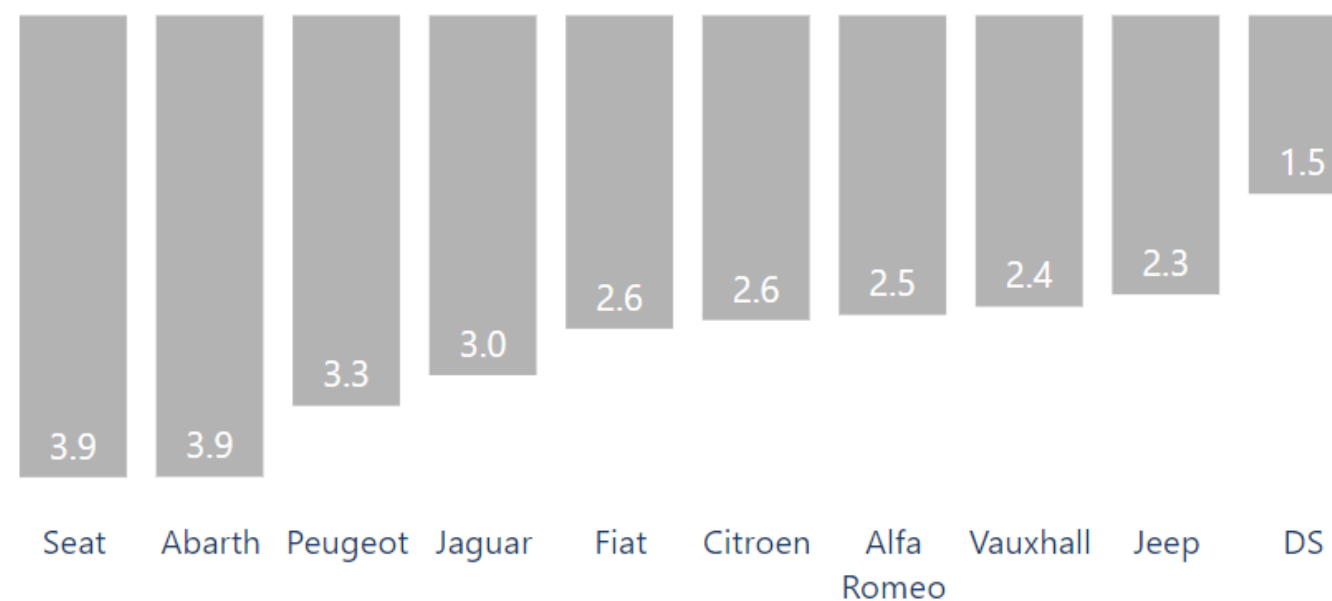


The Top 10 manufacturers have increased their combined average rating vs. last survey by

+2.4%

The Bottom 10 manufacturers declined in average rating vs. last survey by

-23.7%



Highs...

Despite a slight decrease since the last survey, **used cars questions continued to score highly**, reflecting market conditions and the ongoing importance of used retailing to the overall business model.

The **quality of manufacturer training** remained one of the highest scoring areas along with the **apprentice programme** specifically.

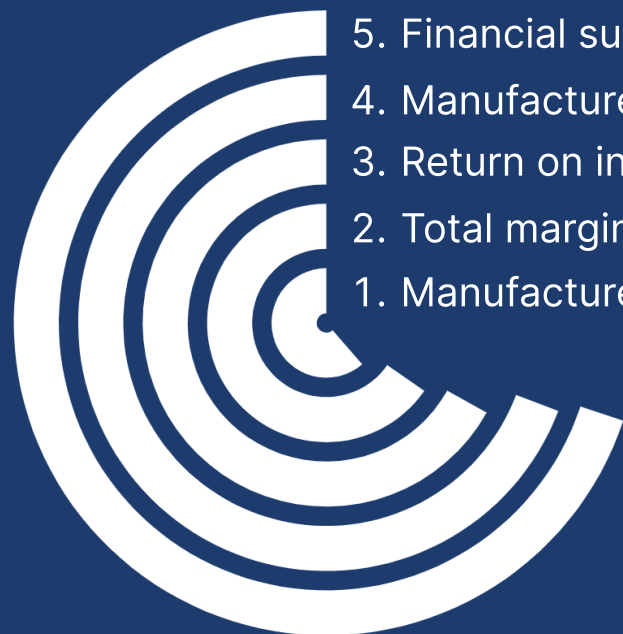
5 Highest Scoring Questions

1. Manufacturer's used car standards
2. Total margin on used car sales
3. Manufacturer's apprenticeship programme
4. Quality of your manufacturer's training
5. Manufacturer's used car programme



5 Lowest Scoring Questions

5. Financial support available...from your manufacturer
4. Manufacturer's new vehicle supply
3. Return on investment in EV equipment and training
2. Total margin on new EV and Hybrid sales
1. Manufacturer's support with on-site EV infrastructure



Lows...

Dealers appear most concerned with both **investments** and **returns** as the market transitions to **electric vehicles**.

Support with **on-site infrastructure** scored the **lowest** in the survey followed by **new EV margins** which also saw the biggest score decline since the winter edition.

Unsurprisingly, **new vehicle supply** remains a **critical issue** although the measure has improved markedly since the last survey.

Winners and Losers by manufacturer

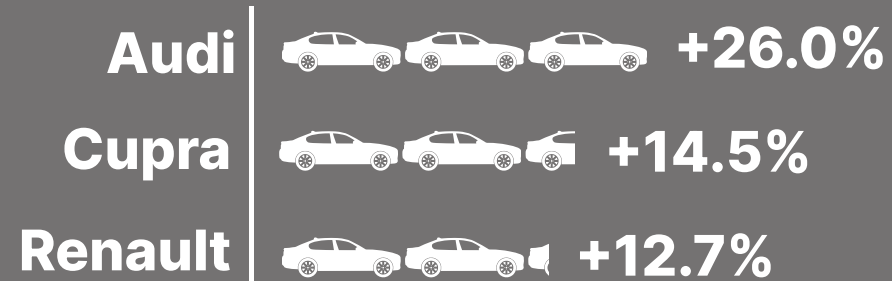
Brands improved

Brands declined

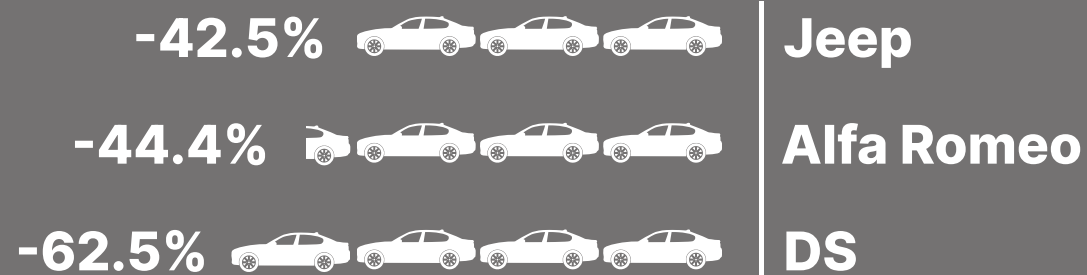
12

20

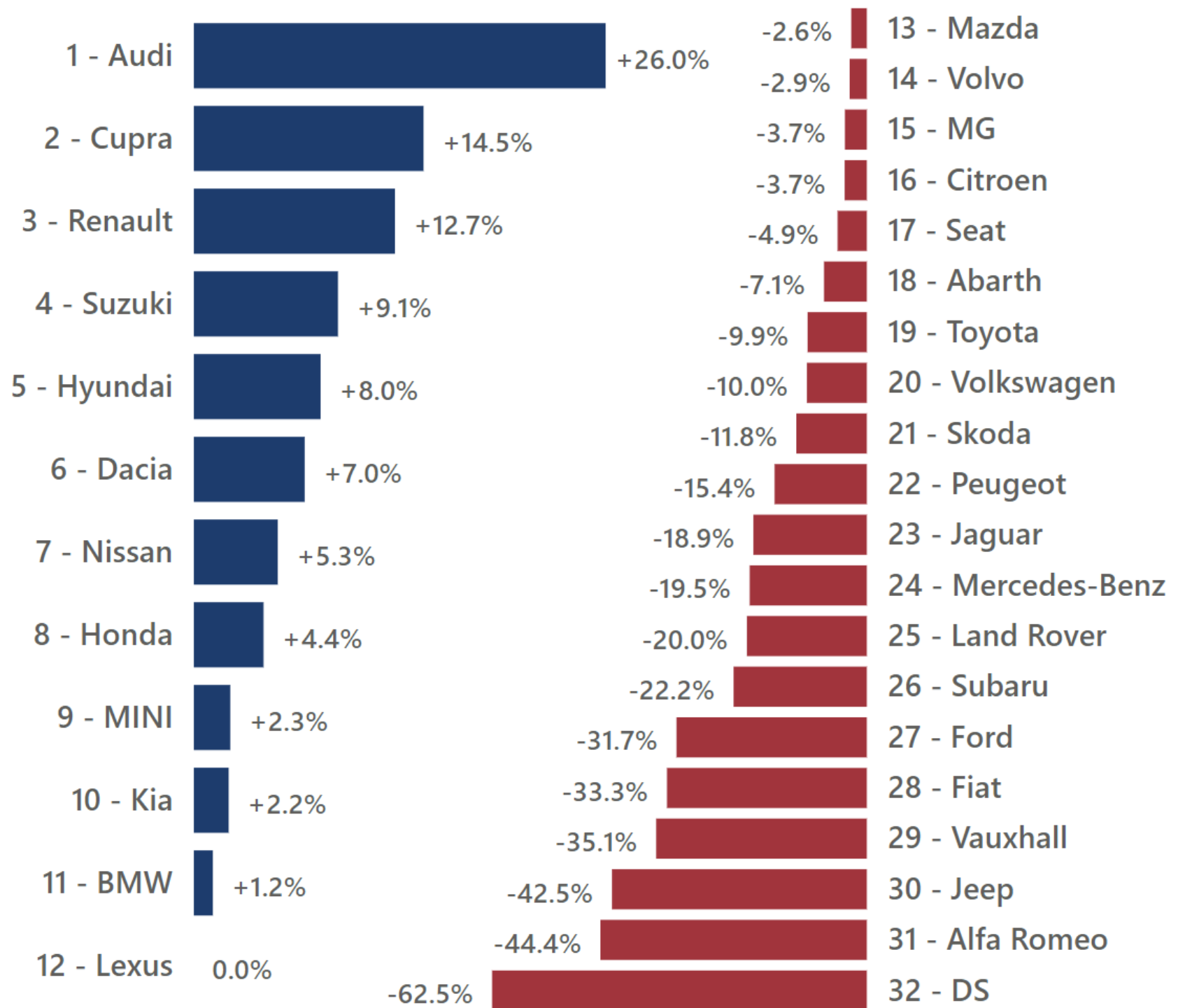
Manufacturers who increased overall rating the most



Manufacturers where rating decreased the most



Q12. How would you **rate your manufacturer** overall on a scale of 1 to 10?
Summer 23 vs. Winter 22



Largest changes vs. Winter 2022

An overall downward trend

The 2023 Summer Survey showed a general downward trend across most questions with **47 out of 54 questions showing a decline** versus the previous edition.

Supply of new vehicles showed the largest increase in score with 25 out of 32 manufacturers showing gains since the last survey.

The two largest declines focused on EV margin and investment - underlining concern from the networks that margin levels are falling at the same time as investment requirements are increasing.

Overall **profit return and return on capital** also show heavy declines against a backdrop of uncertainty for the future franchise model.

Largest Improvements vs. Winter 2022

Manufacturer's new vehicle supply



Availability of parts



Price of manufacturer parts compared with parts factors



Manufacturer service plan rates and recovery



Largest Declines vs. Winter 2022



Your manufacturer enables you to effectively sell EV / PHEV vehicle models

The current profit return from representing your franchise

The return on capital for your dealership

Return on investment in EV equipment and training

Total margin on new EV and Hybrid sales

Readiness for Electric

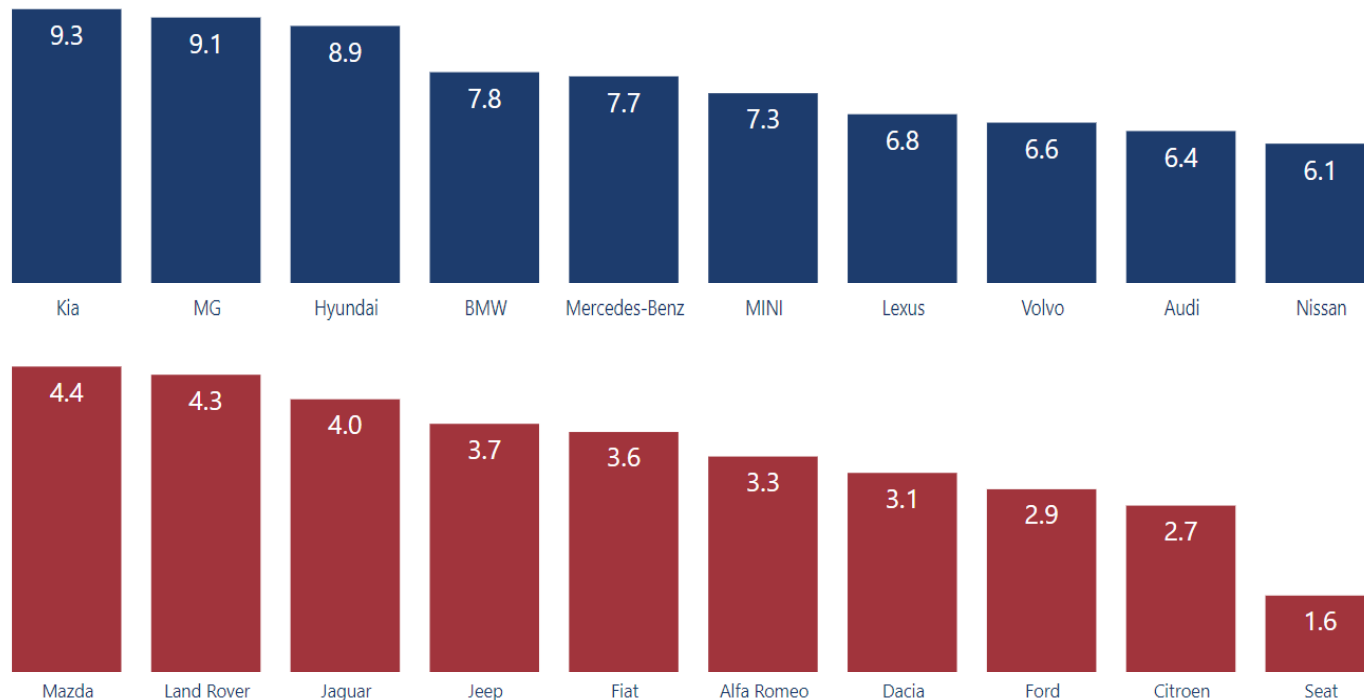
At a manufacturer level, there are some clear leaders with solid EV offerings currently and confidence in the pipeline of products arriving.

The investment required for the EV transition is clearly weighing down sentiment for the franchised body - particularly with the feeling that EV margins are under further pressure since the winter edition.

Comments submitted alongside ratings suggest the top concerns are:

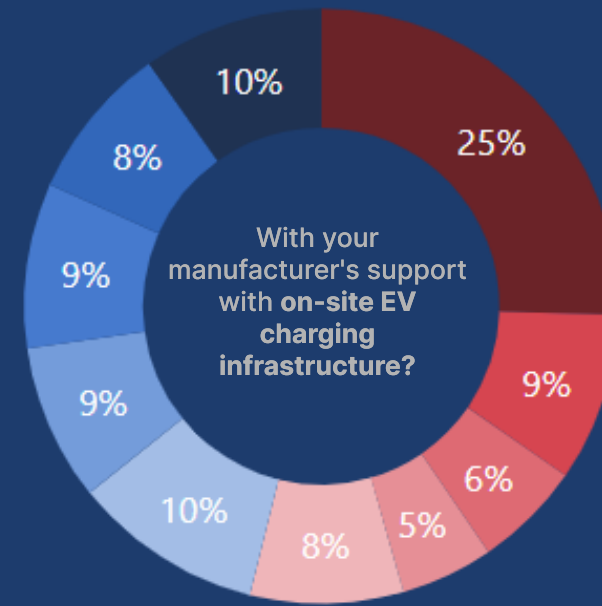


Battery Electric Vehicle products your manufacturer currently offers?



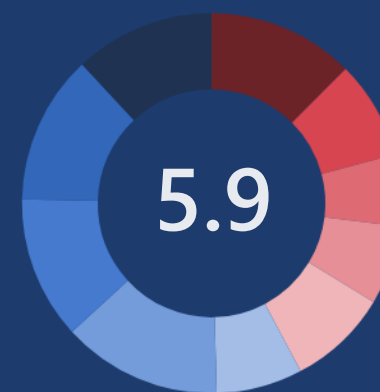
Manufacturer support for on-site EV charging infrastructure

4.9/10



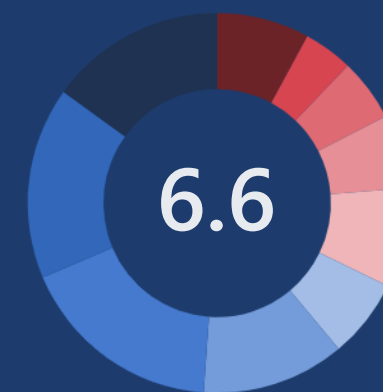
As a new question for this edition, the topic receives the **lowest rating of the survey** with a clear proportion of **dealers concerned with the support they are getting to implement EV charging on-site.**

Current EV Product



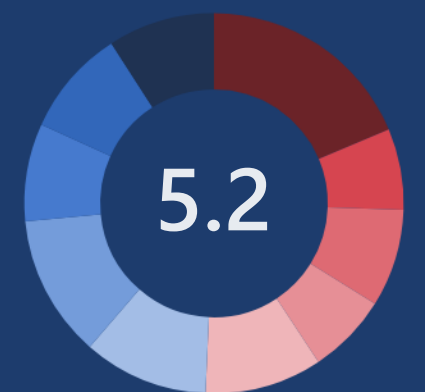
Battery Electric Vehicle products your manufacturer currently offers?

Future EV Product



With your manufacturer's proposed EV/Plug-in product range and the segments they will cover for the next two years?

EV Margin vs. ICE



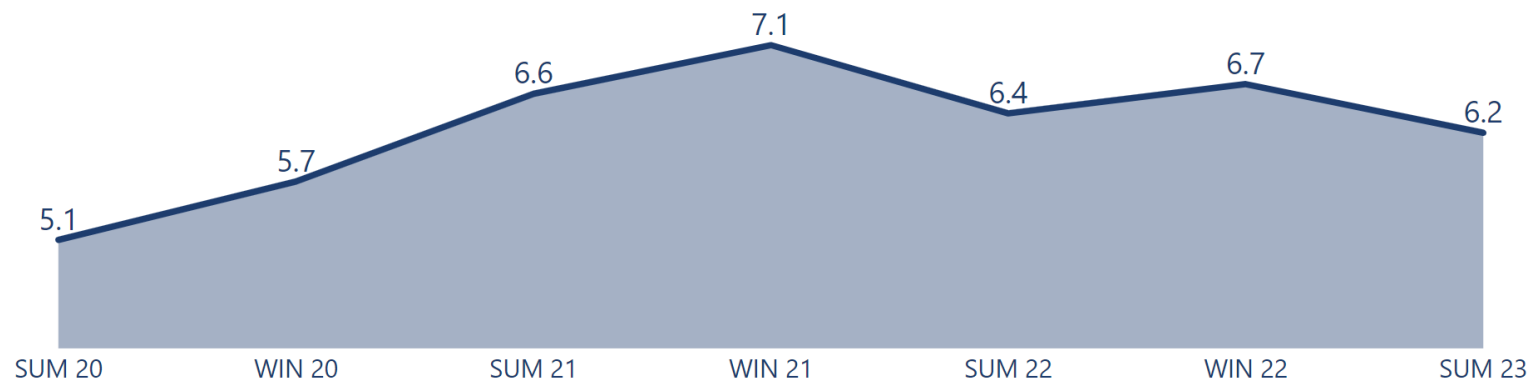
With your total margin on new EV and Hybrid sales compared with conventional petrol and diesel new car sales?

Value of the franchise

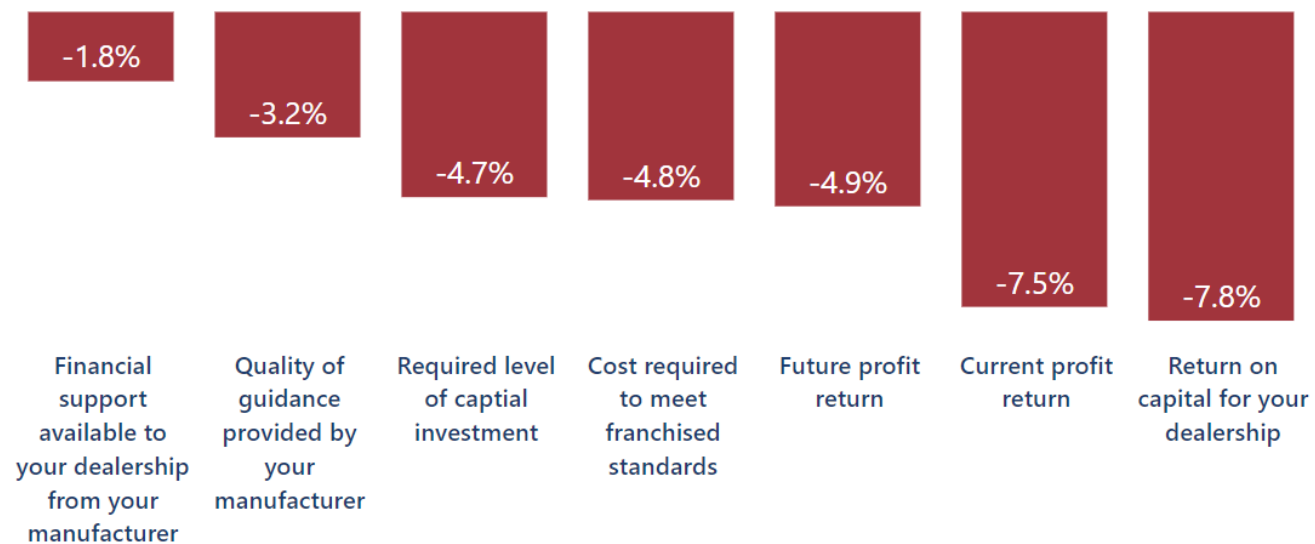
27 out of 32 manufacturers saw a decline in rating for **current profit** levels and a further 22 declined for **future profit** return suggesting challenges lie ahead for the network body, particularly around future capital investment.

Q4a. The current profit return from representing your franchise?

Trend vs. previous survey editions



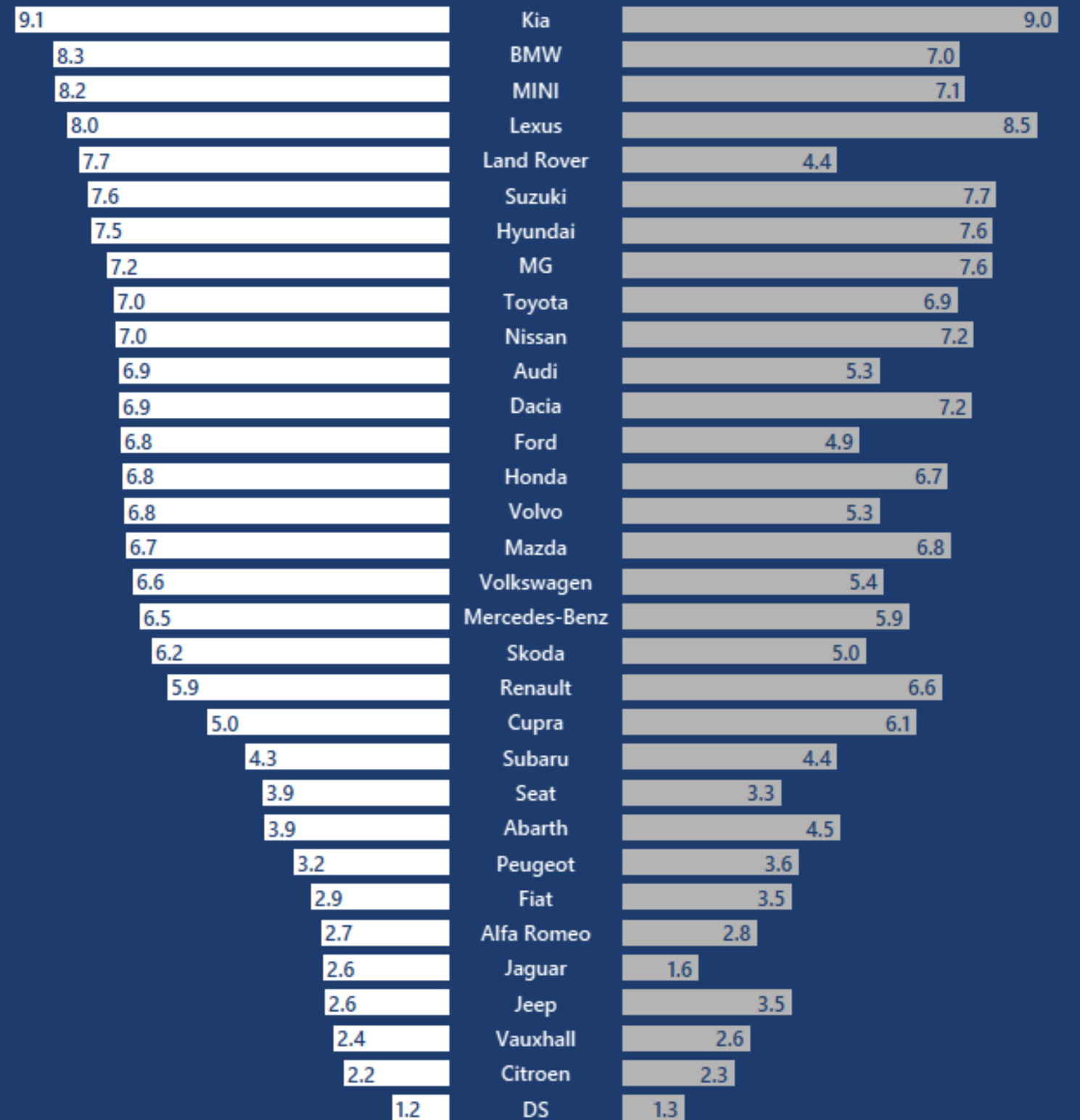
% difference in score vs. Winter 2022 survey



Q4a. Current profit return

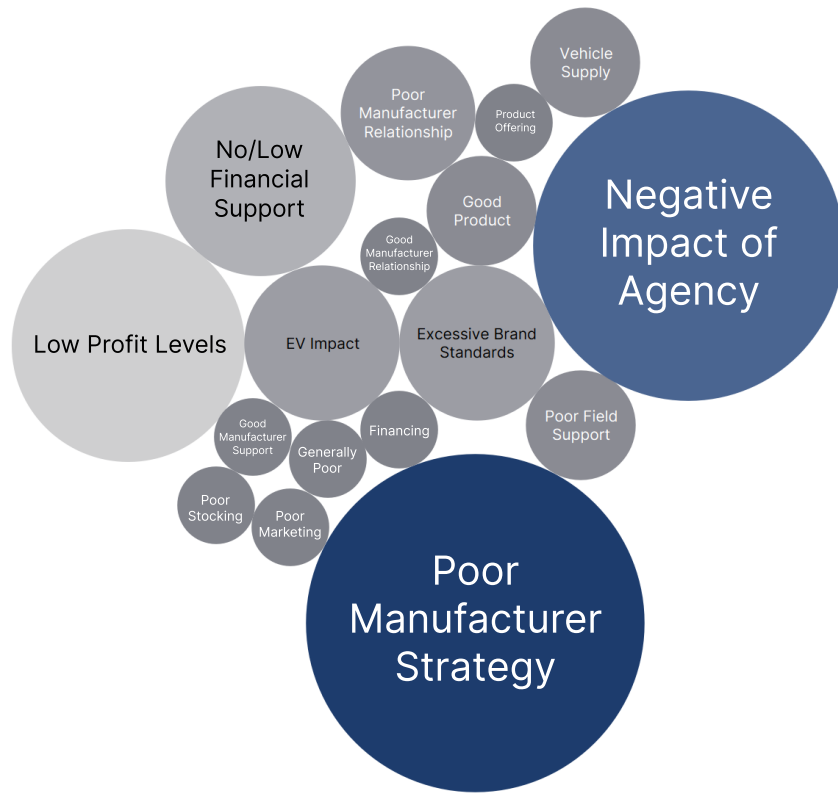
vs.

Q4b. Future profit return



Dealer Comments

For the first time the **survey asked for dealer comments** alongside key questions, with 15% of respondents choosing to provide this extra detail. Below are the key categories that the dealer comments fell into for each relevant area...



Section 4 - Profitability

Poor Manufacturer strategy (26%) and the **Impact of Agency (22%)** topped the list for dealer feedback to current profitability concerns.



Section 5 - Sales

Supply constraints and delivery planning was the highest concern amongst survey respondents.

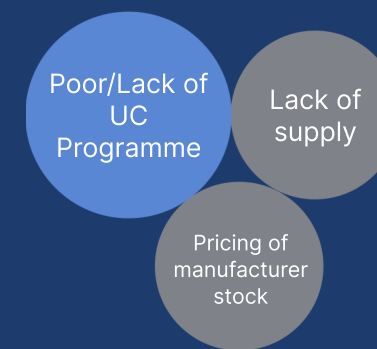
Poor Demo Programme was the second highest issue fed back with dealers citing **demo terms** and **commercial viability** as key concerns affecting the business.

Section 14 - Overall Feedback

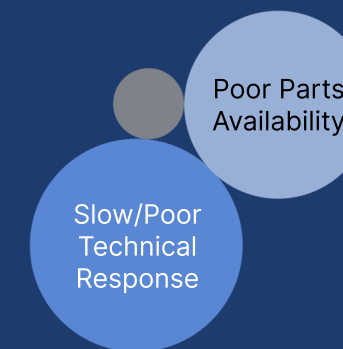
Concerns with Manufacturer Strategy alongside **low trust in manufacturer** was of high concern to those dealers providing comments. More specific issues included poor field support, pricing challenges and overall franchise value.



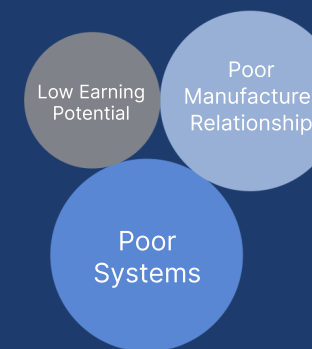
Used Car Sales



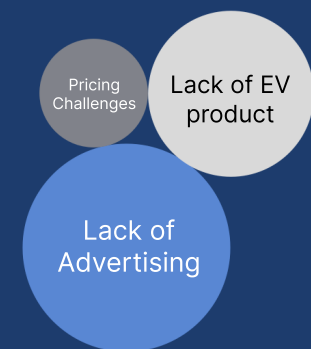
Aftersales



Finance



Product and marketing



National Franchised Dealers Association Dealer Attitude Survey Summer 2023 Edition



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