



NFDA

NATIONAL FRANCHISED DEALERS ASSOCIATION

The background is a long-exposure photograph of a multi-lane highway curving into the distance. The sky is filled with vibrant sunset colors, from deep orange to bright yellow. Light trails from cars create a sense of motion, with white and yellow trails on the left side of the road and red trails on the right. A semi-transparent orange box is overlaid on the right side of the image, containing the survey title.

Dealer Attitude Survey

Summer 2022

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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, has been conducting the Dealer Attitude Survey (DAS) uninterrupted since 1989.

The Summer 2022 edition of the survey attracted an impressive response rate of 66% with a total of 2,561 responses from 32 manufacturers.

The DAS takes place twice a year and this edition was conducted in July 2022. The survey asked franchised dealers questions covering business issues that are key to a successful working relationship with their respective manufacturers. Responses are scored from 1 (extremely dissatisfied) to 10 (extremely satisfied).

Despite the unprecedented challenges facing the automotive retail industry, it is positive to see our survey reveal a steady improvement in many key business areas, most notably revealing an increase in overall manufacturer rating.

In particular, franchised dealers' ratings revealed high levels of satisfaction around quality of training, margins on used cars and day-to-day relationships between dealers and manufacturers.

The all-important question 'how would you rate your manufacturer overall on a scale of 1 to 10?' returned an average of 6.5 points out of 10; on par with six months ago.

Unsurprisingly as supply issues continue to impact the market, dealers showed concerns with their new car targeting process', returning one of the lowest average scores.

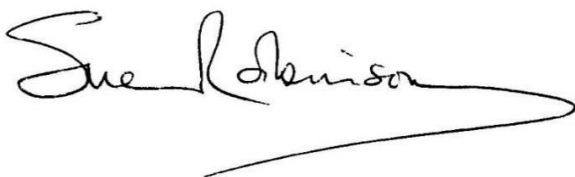
This report is a summary of the results of the NFDA Dealer Attitude Survey Summer 2022, it gives an overview of the findings through the charts and the analysis of the main questions.

A full version of the report is available on request.

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

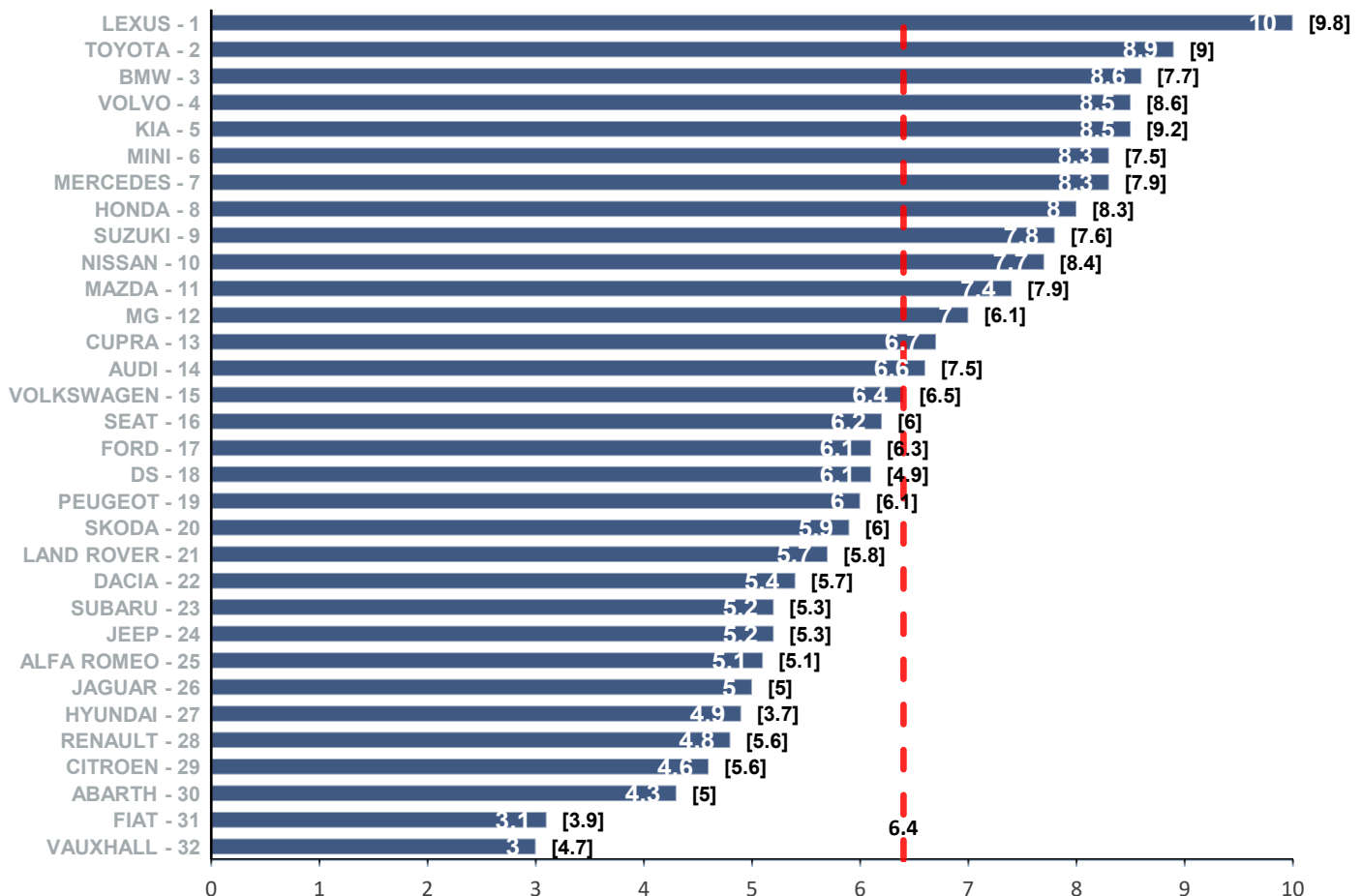
Sue Robison

Chief Executive, National Franchised Dealers Association



Manufacturer support

1. How satisfied are you with the COVID-19 legacy support from your manufacturer?



Figures in white = Winter 2021/2022

Figures in black = Summer 2021

Biggest improvement: Hyundai +1.2 points

Largest decline: Vauxhall -1.7 points

Average score: 6.4 points

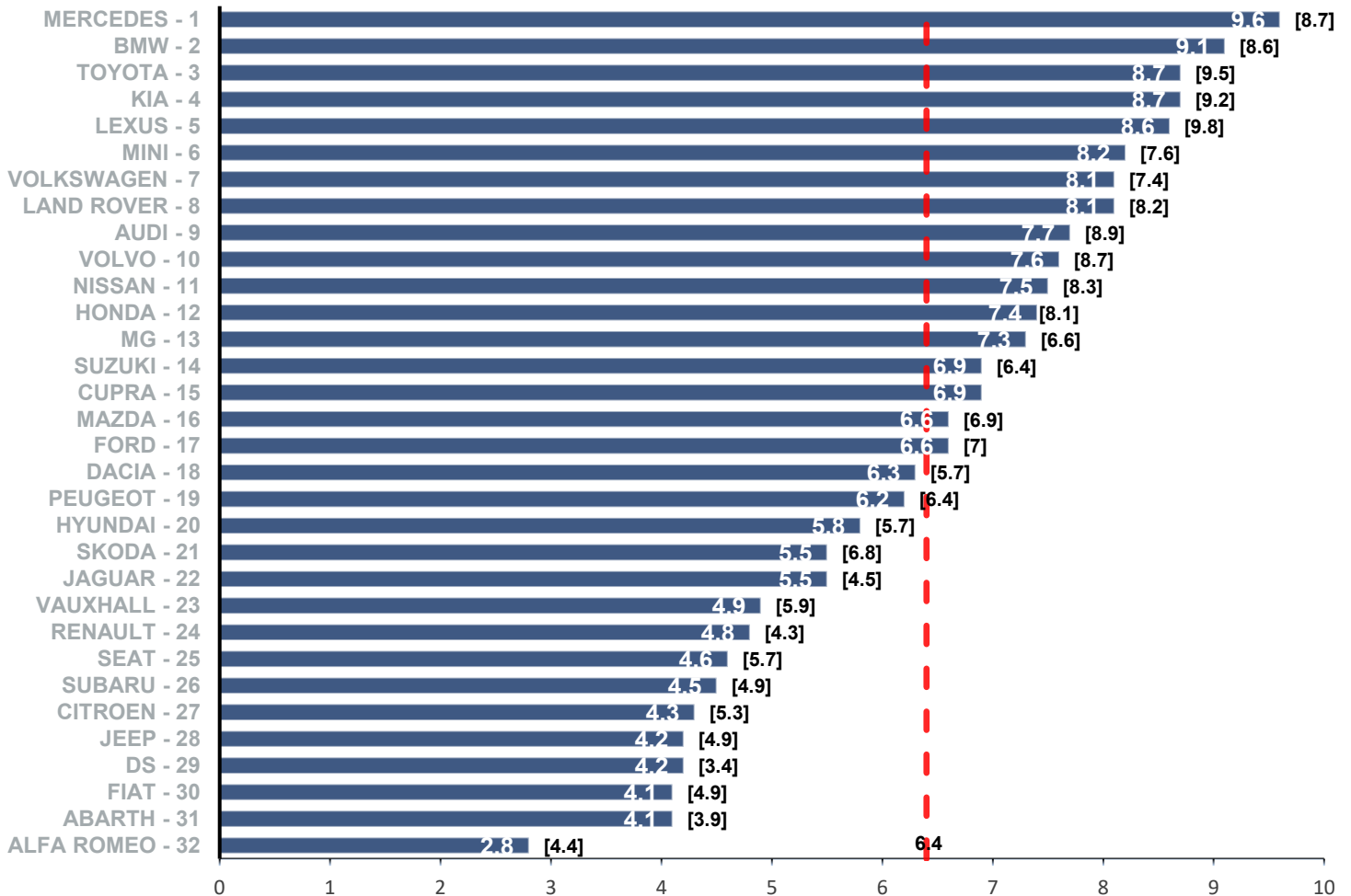
Previous average: 6.6 points

Summary:

Average dealers' satisfaction levels with the Covid 19 legacy support received from their manufacturers declined slightly from last edition, from 6.6 to 6.4. Out of all respondents, 9 experienced increased satisfaction levels, 2 remained the same and 20 decreased; 25 dealer networks scored above 5.0 points.

Profit Return

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



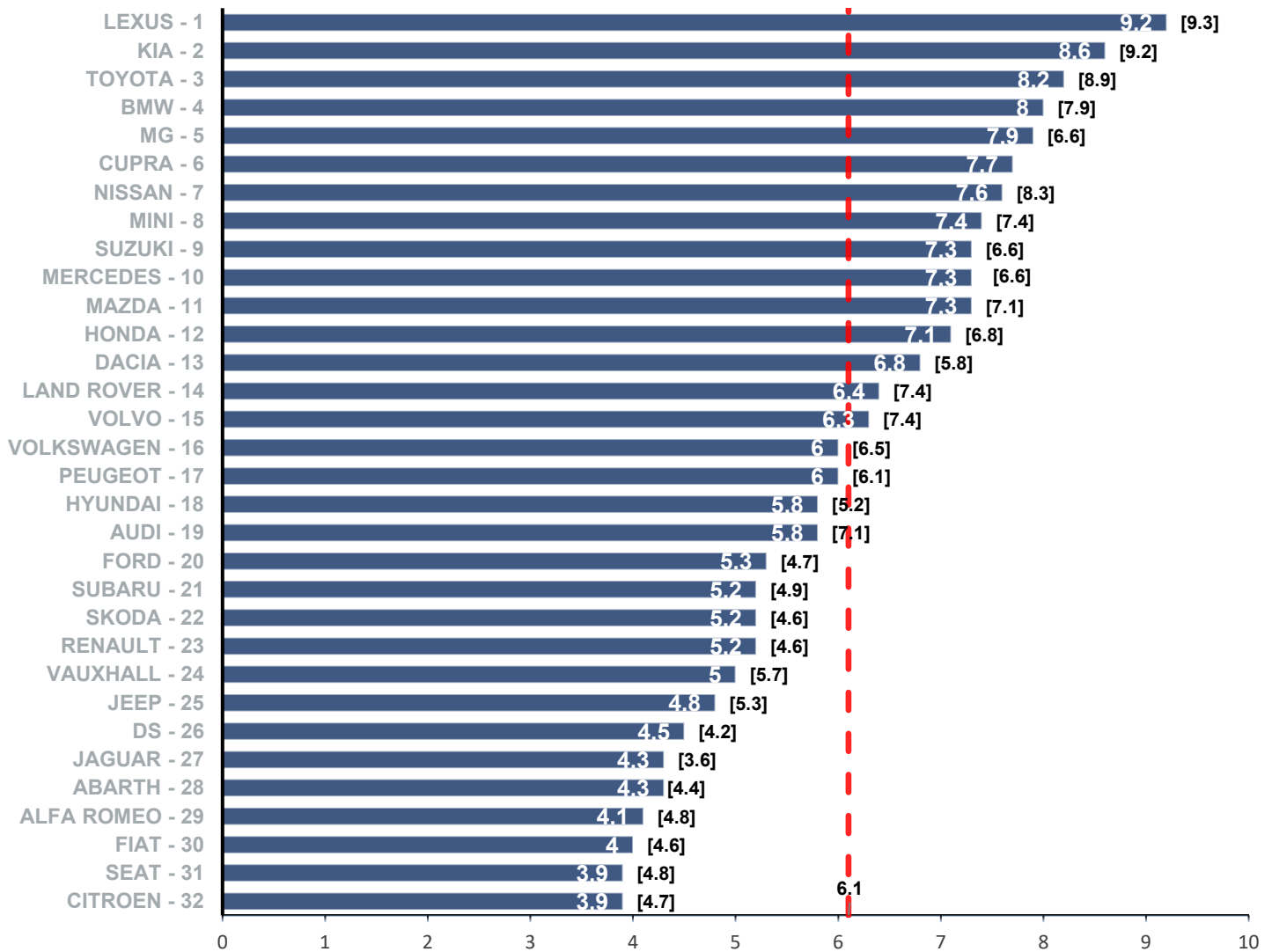
Biggest improvement:	Jaguar	+1.0 points
Largest decline:	Skoda	- 1.3 points
Average score:		6.4 points
Previous average:		7.1 points

Summary:

The average dealers' satisfaction with their current profit return from representing their business declined from the last edition by 0.7 points, from 7.1 to 6.4. 12 networks had an improved satisfaction rate while 19 decreased. 22 networks scored above 5.0 points.

Profit Return

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



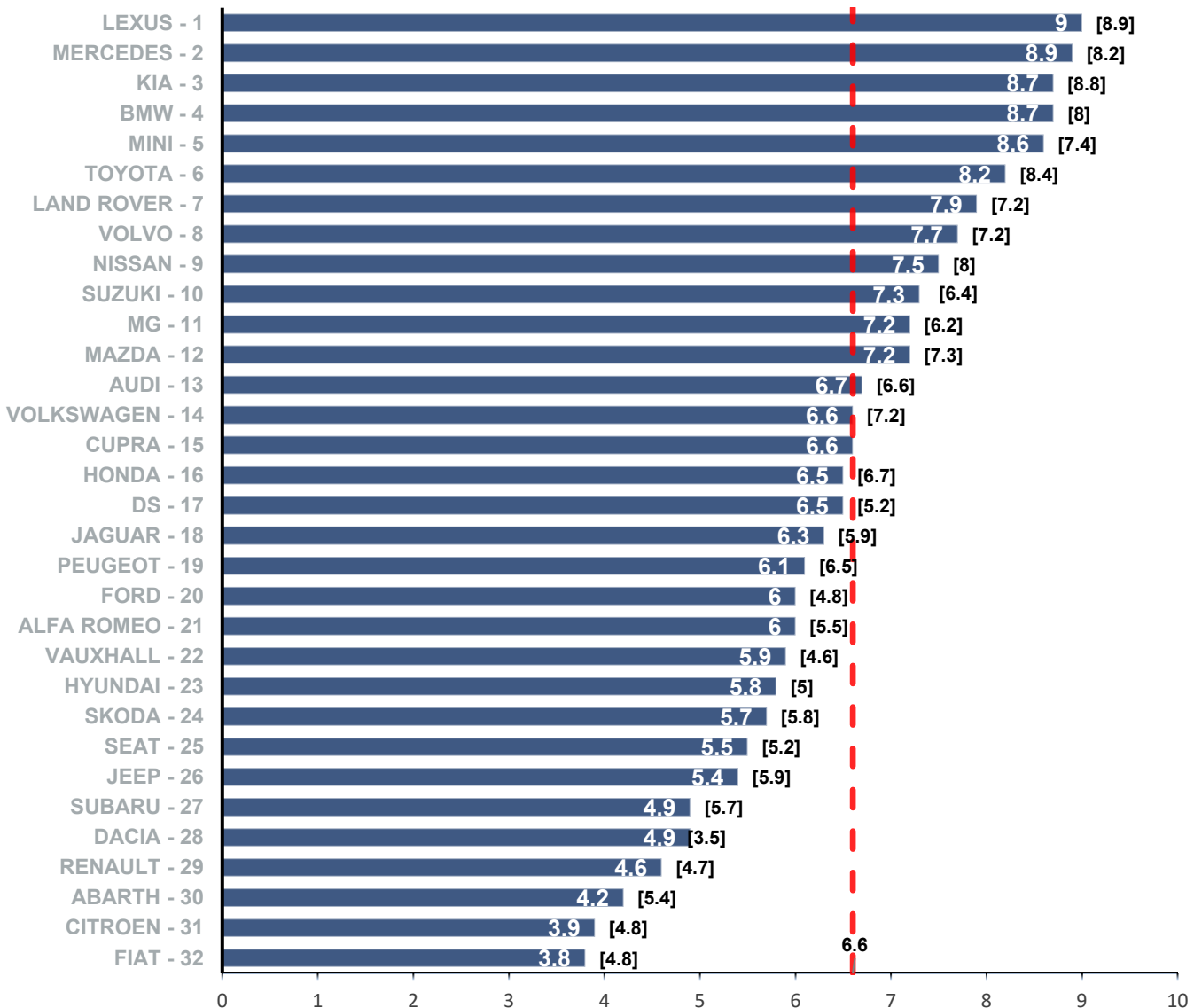
Biggest improvement:	MG	+1.3 points
Largest decline:	Audi	-1.3 points
Average score:		6.1 points
Previous average:		6.4 points

Summary:

Dealers' satisfaction levels with their predicted future profit return decreased slightly to an average score of 6.1 points. 44% of networks saw an increase in their satisfaction levels, while 50% decreased and 3% remained the same; 23 networks scored above the 5.0 mark.

Profit Return

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



Biggest improvement: Dacia +1.4 Points

Largest decline: Abarth -1.2 points

Average score: 6.6 points

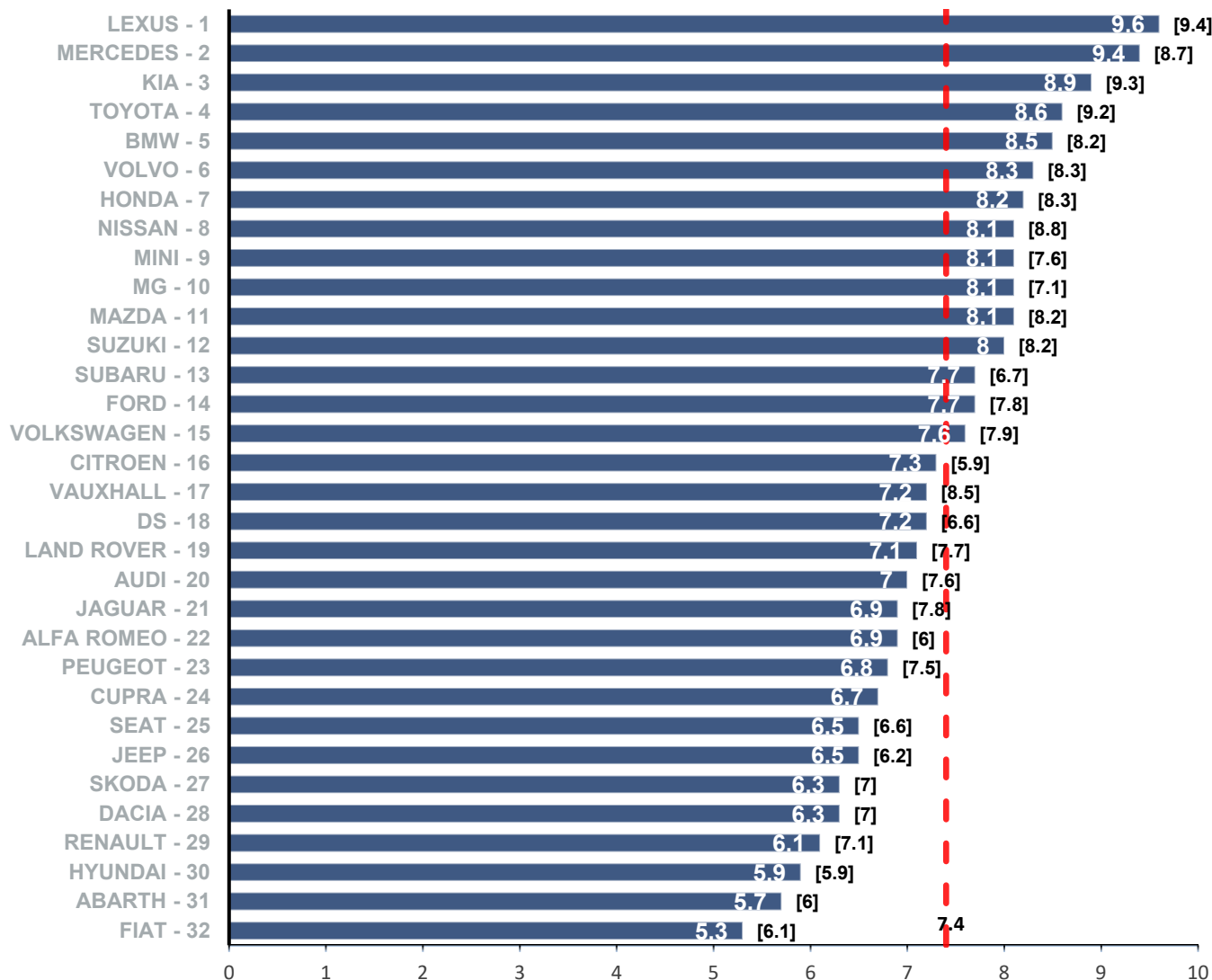
Previous average: 6.4 points

Summary:

The average dealers' satisfaction with their total margins on new vehicles increased by 0.2 points from the winter survey to 6.6 points and up by 0.4 points from the same time last year. 26 networks increased their level of satisfaction, while 14 decreased. 26 respondents scored above 5.0.

Profit Return

5. How satisfied are you with your total margin on used car sales?



Biggest improvement: Citroen +1.4 points

Largest decline: Vauxhall -1.3 points

Average score: 7.4 points

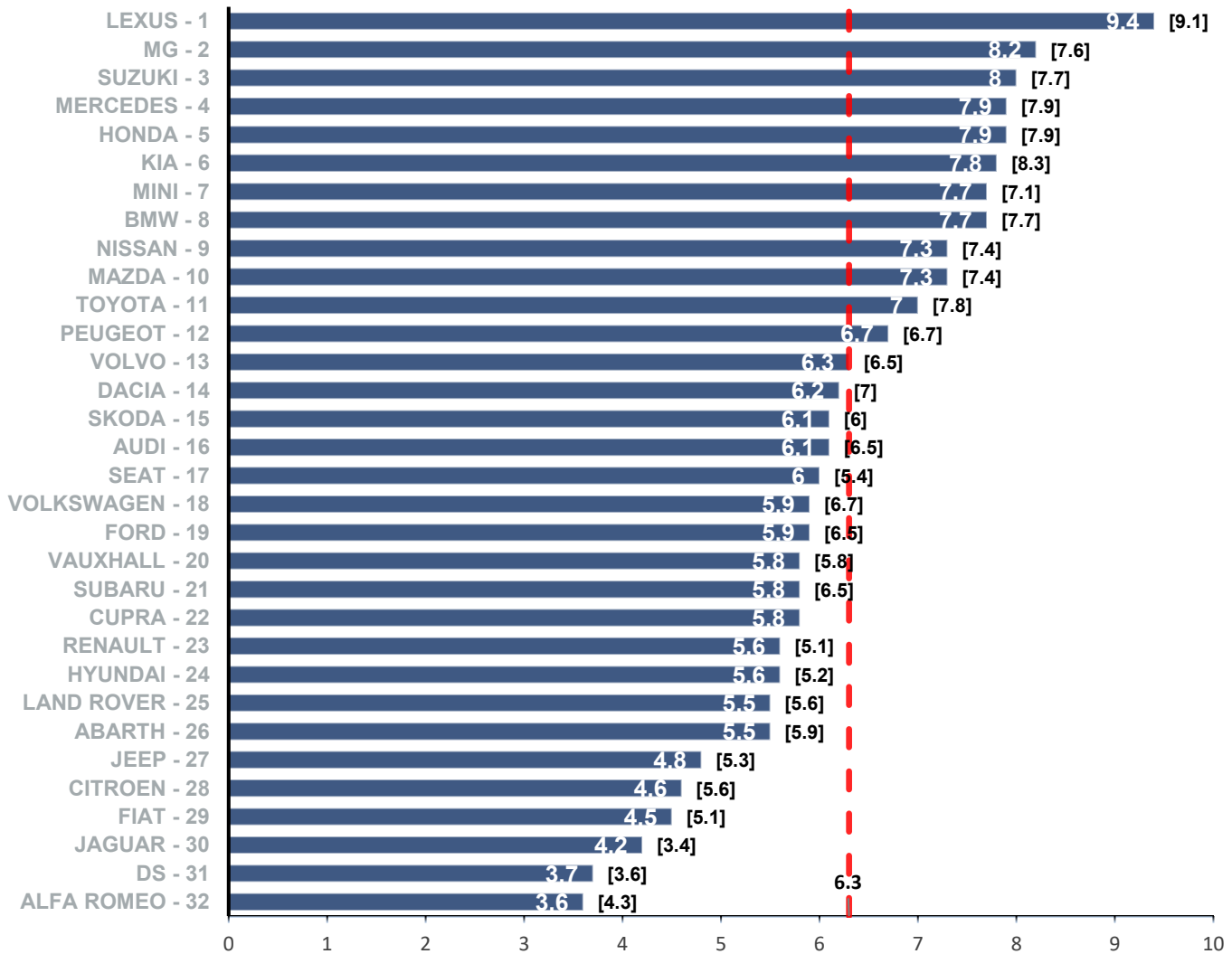
Previous average: 7.7 points

Summary:

There was a decline by 0.3 for the average score given in response to dealers' satisfaction with their margin on used car sales. Winter 2022 saw dealers' satisfaction at 7.7 points. Six months later, dealers' satisfaction is rated at 7.3. In a vast difference to last year, 19 dealers decreased their points, whilst 10 dealers' points increased; 2 remained the same. All networks scored higher than 5.0 points.

Return on Investment

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



Biggest improvement: Jaguar +0.8 points

Largest decline: Citroen -1.0 points

Average score: 6.3 points

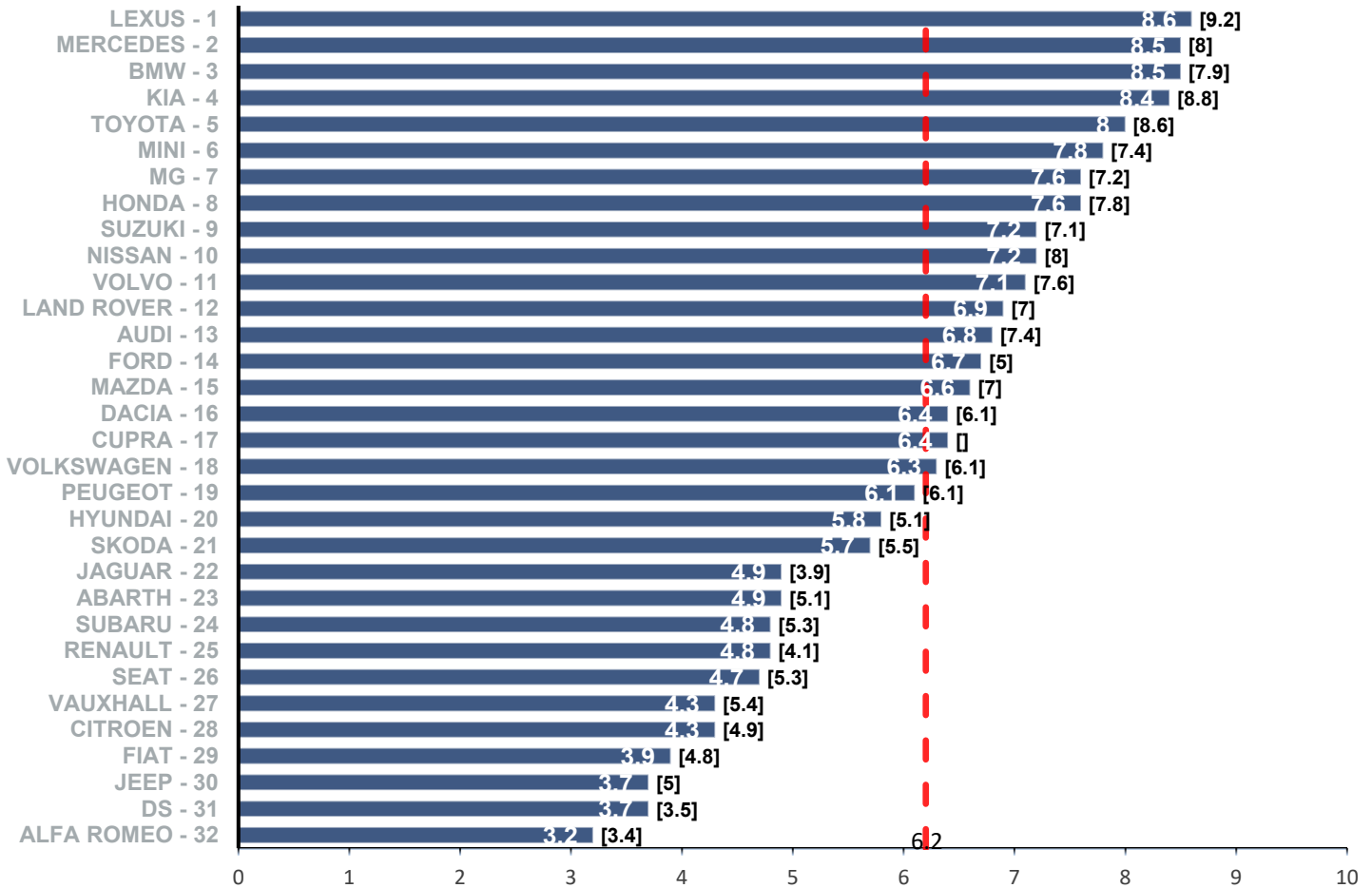
Previous average: 6.5 points

Summary:

Average dealers' satisfaction levels with the required level of capital investment fell slightly compared to six months ago to 6.3 points, a reduction of 0.2. Out of all average scores, 16 experienced a decrease compared to six months before, only 30% increased; 5 respondents scored the same. Over 80% of ratings were above 5.0 points.

Return on Investment

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



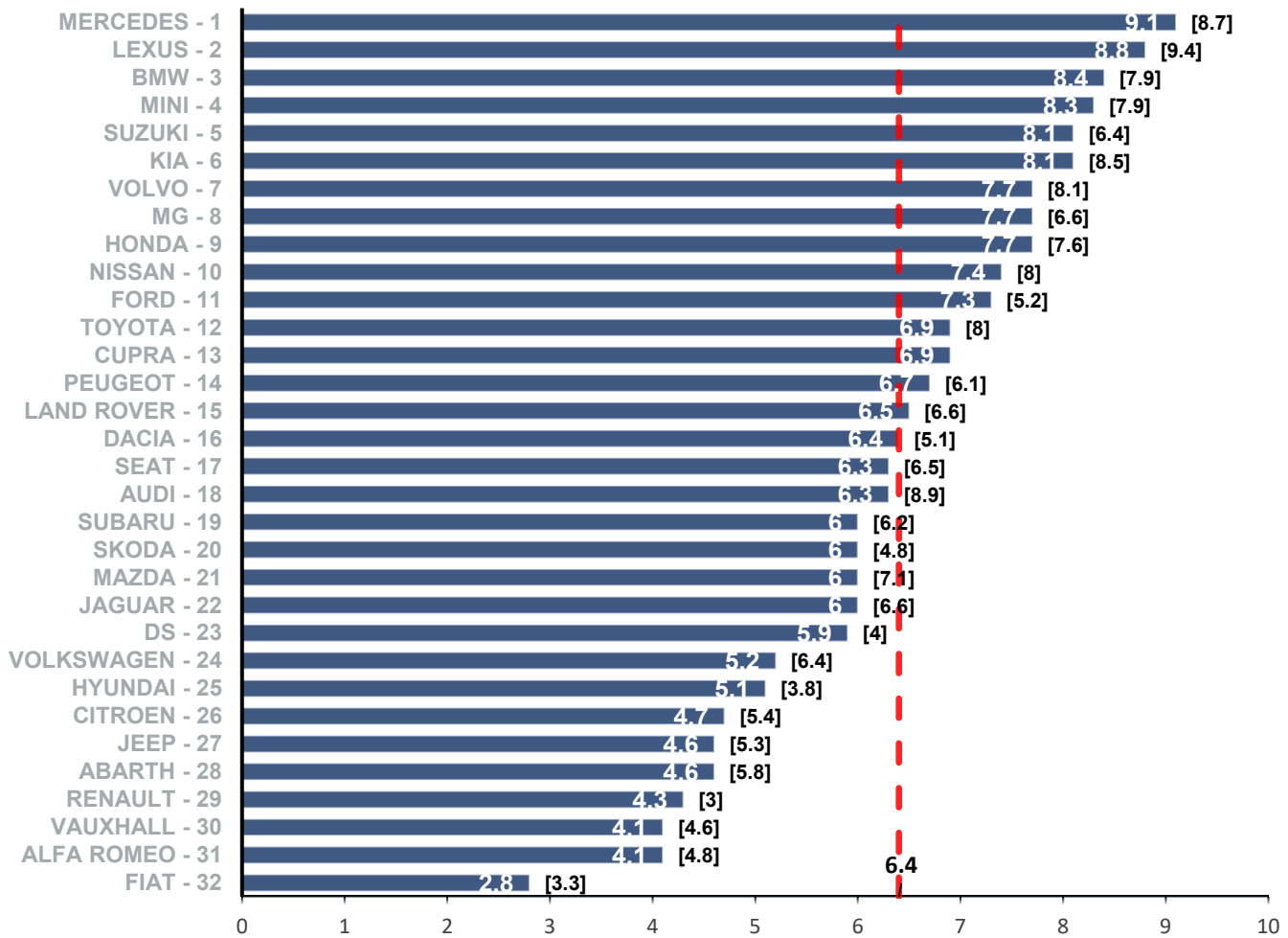
Biggest improvement:	Ford	+1.7 points
Largest decline:	Jeep	-1.3 points
Average score:		6.2 points
Previous average:		6.4 points

Summary:

The average score for networks' satisfaction levels with the return on capital for their dealerships dropped from 6.4 to 6.2. 13 dealers improved and 17 dropped, one dealer remained constant. There were 21 ratings above 5.0.

Targets

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



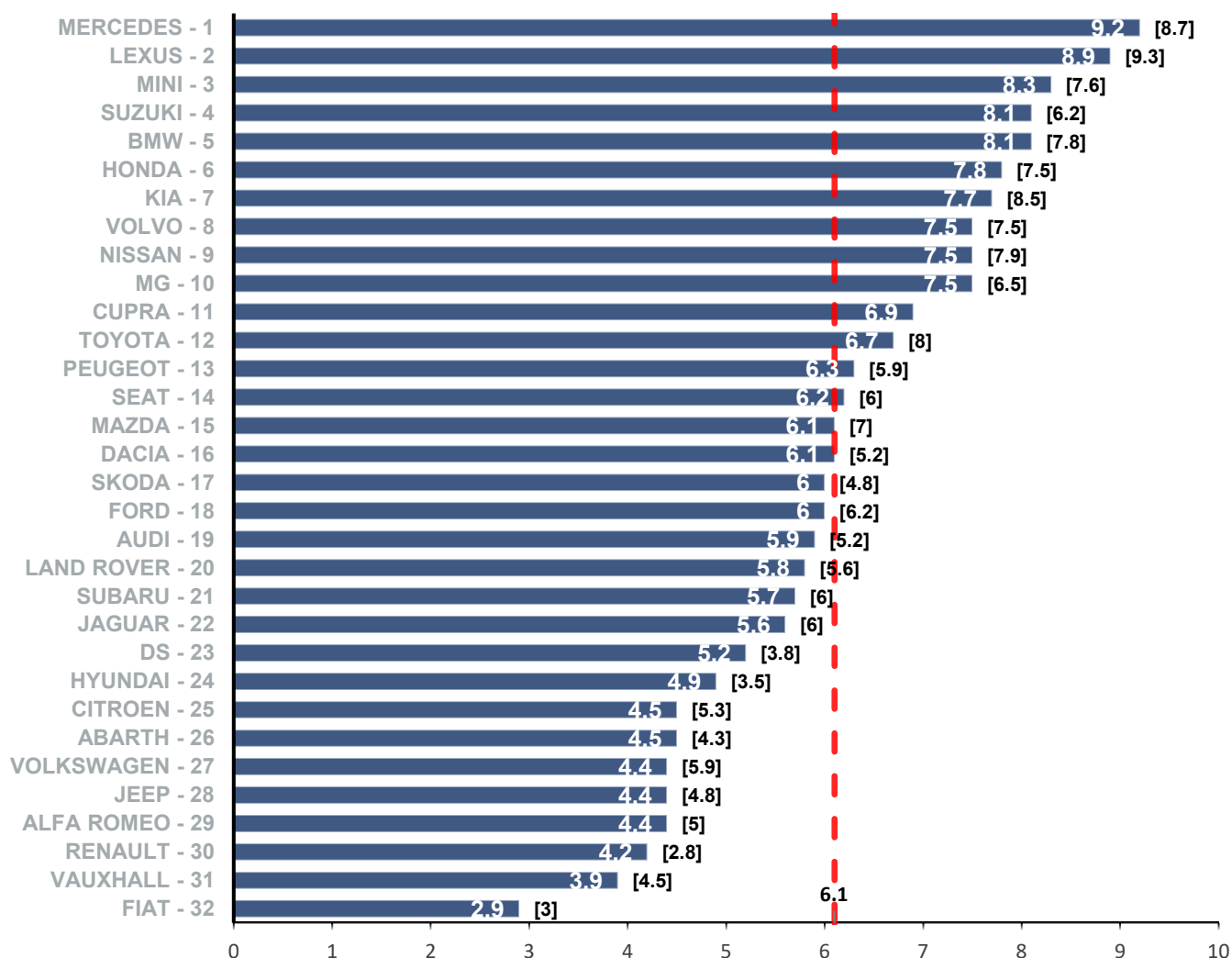
Biggest improvement:	Ford	+2.1 points
Largest decline:	Audi	-2.6 points
Average score:		6.4 points
Previous average:		6.2 points

Summary:

Average dealers' satisfaction levels with their manufacturers' target aspirations improved by 0.2 points from the winter survey, the rating now stands at 6.4 points. Compared to the previous survey, 18 networks saw a reduction in their satisfaction rates, with 13 rising; 25 networks were above 5.0 points.

Targets

9. How satisfied are you with your new car targeting process?



Biggest improvement: Suzuki +1.9 points

Largest decline: Volkswagen -1.5 points

Average score: 6.1 points

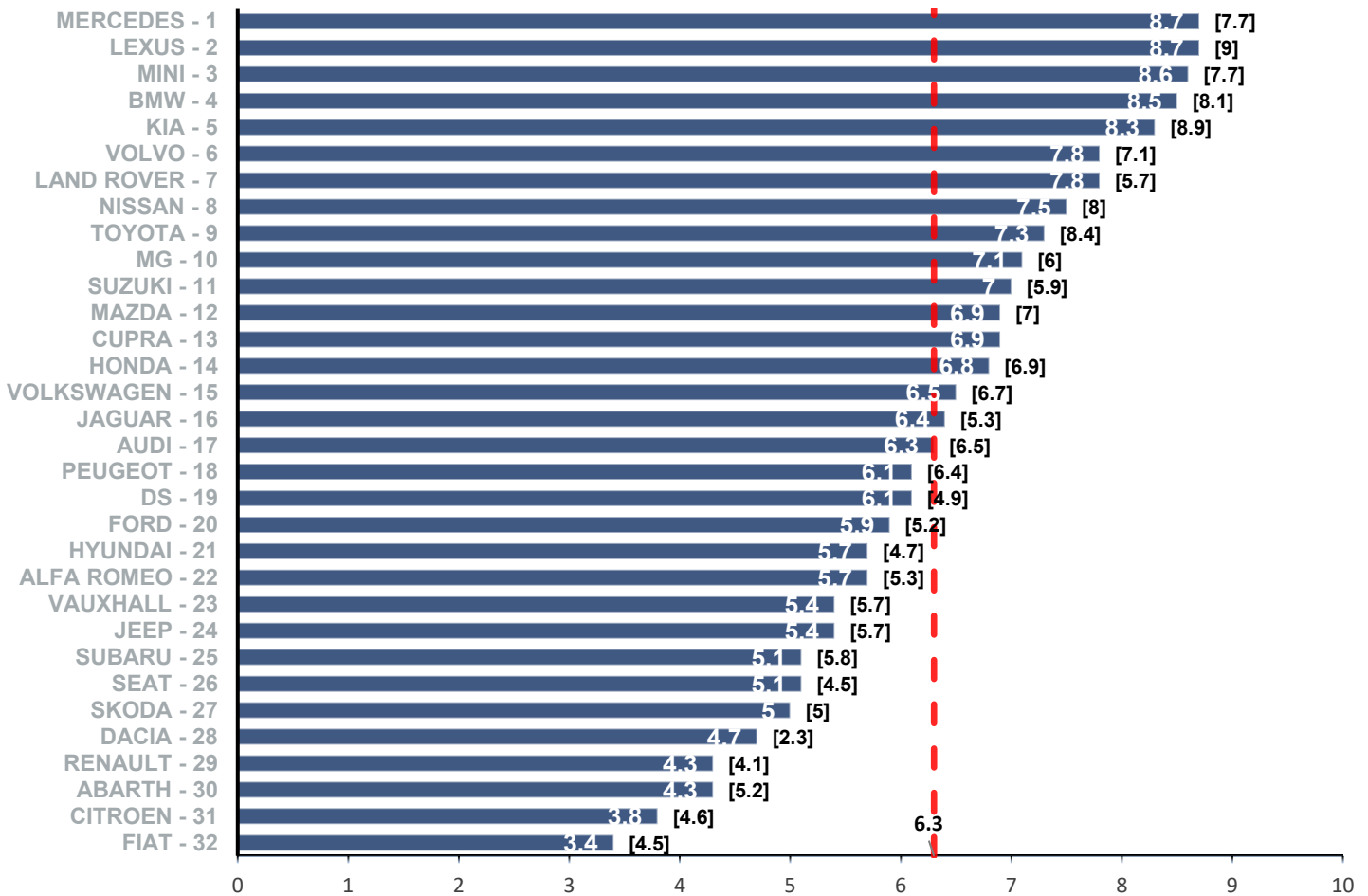
Previous average: 6.0 points

Summary:

Dealers' satisfaction levels with their new car targeting process improved slightly (+0.1 point), from 6.0 to 6.1 in the latest edition of the survey. 50% of networks experienced an increase in their score, with 14 decreasing, 1 dealer remained constant. 23 or 72% responses were above the 5.0 mark.

Incentives

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



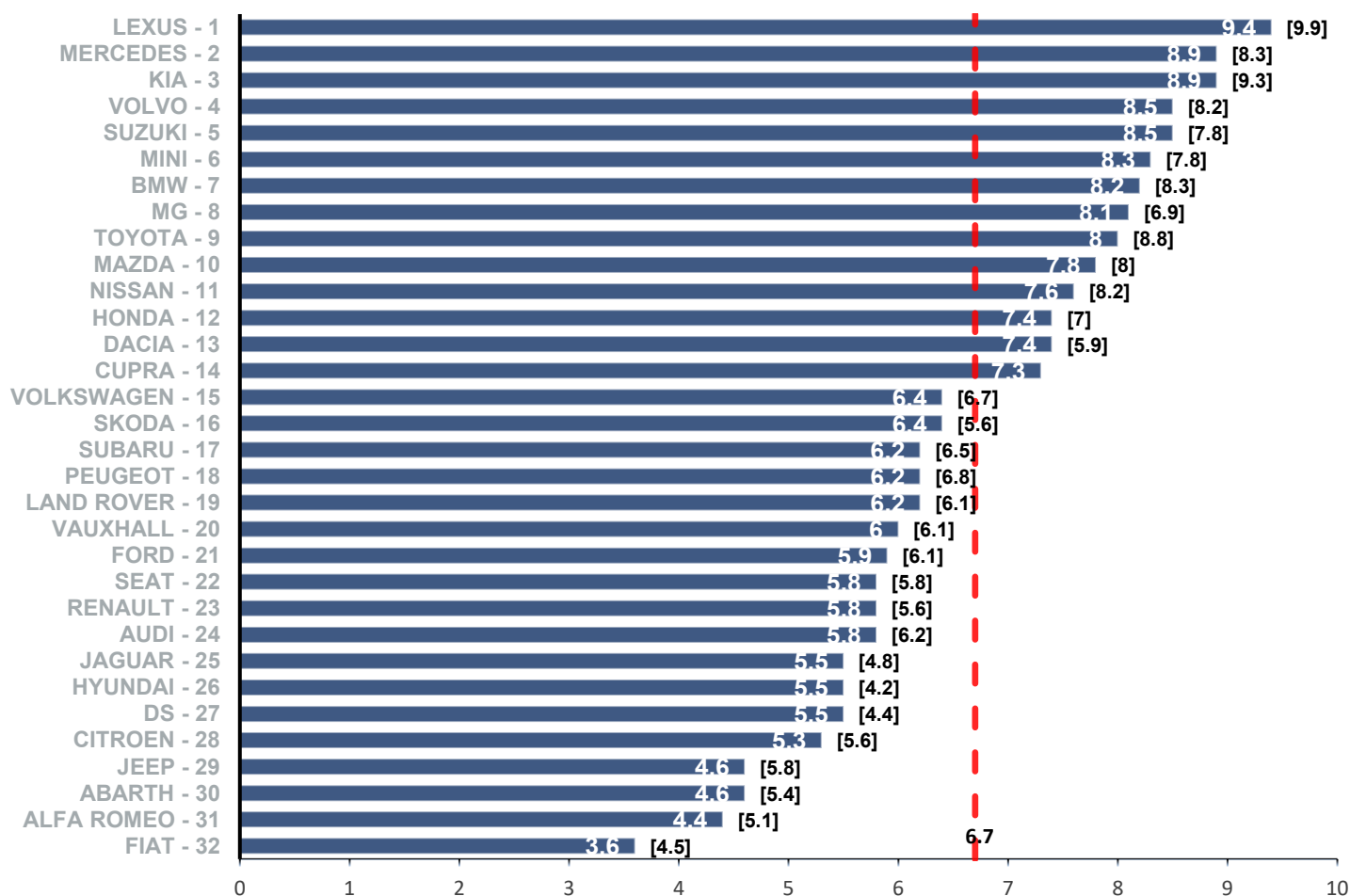
Biggest improvement:	Dacia	+2.4 points
Largest decline:	Toyota	-1.1 points
Average score:		6.3 points
Previous average:		6.3 points

Summary:

There has been no change in how dealers feel towards their current bonus and rebates on new cars six months on, with an average score of 6.4 points. 26 or 81% of networks had average scores above 5.0 points. Nearly half of ratings improved from six months ago, with the other half decreasing, 1 dealer remained the same.

Day-today working relationship

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



Biggest improvement: Dacia +1.5 points

Largest decline: Jeep -1.2 points

Average score: 6.7 points

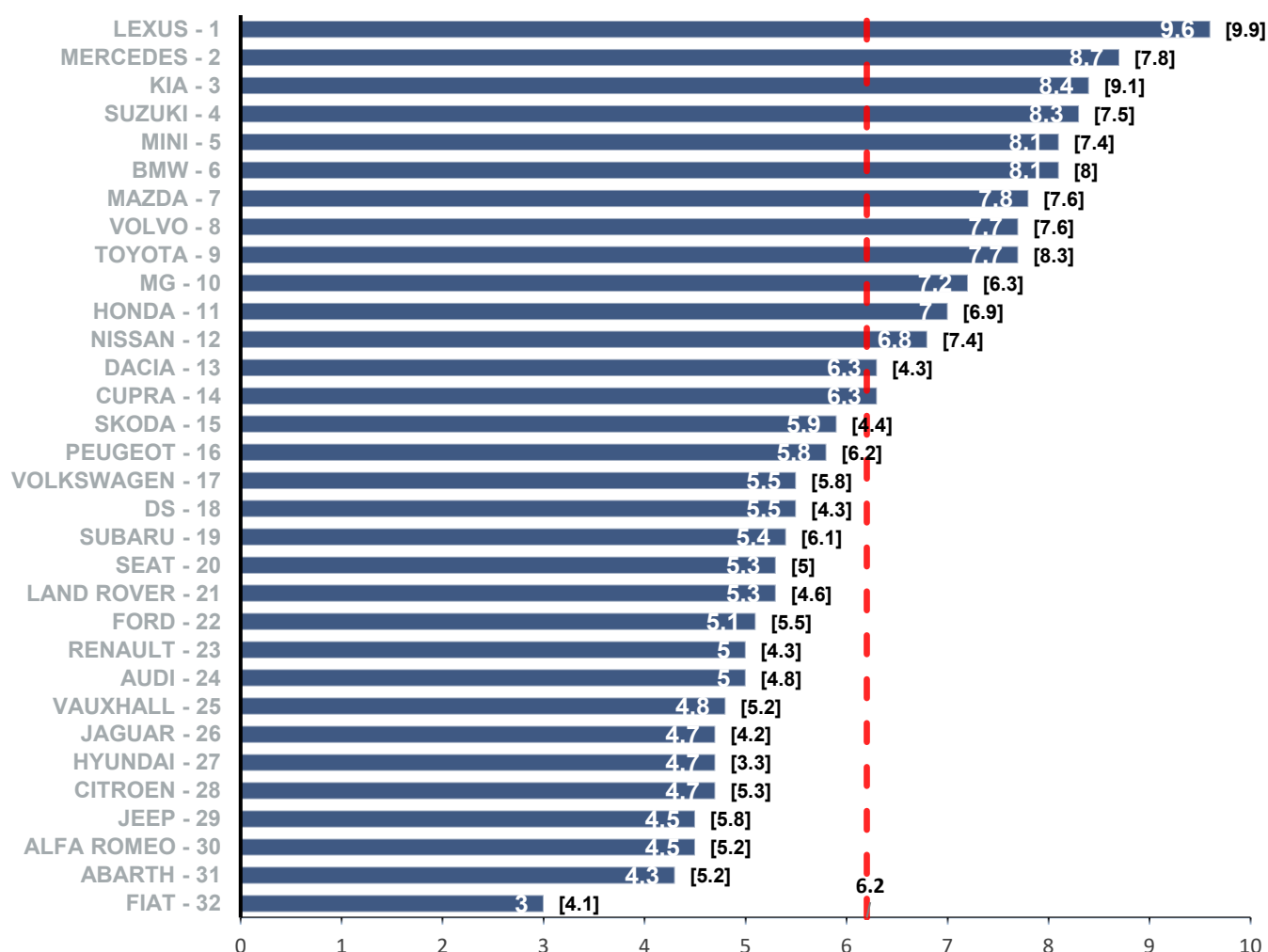
Previous average: 6.7 points

Summary:

Like the previous edition of this survey, there has been little increase in dealers' average rating given to the ability to do business on a day-to-day basis with their manufacturer, remaining at 6.7. 13 manufacturers experienced an increase with 17 reducing, 1 dealer stayed the same. 28 networks had a score above 5.0 marks.

Day-to-day working relationship

12. Does the management of your manufacturer take dealers' views and opinions into account?



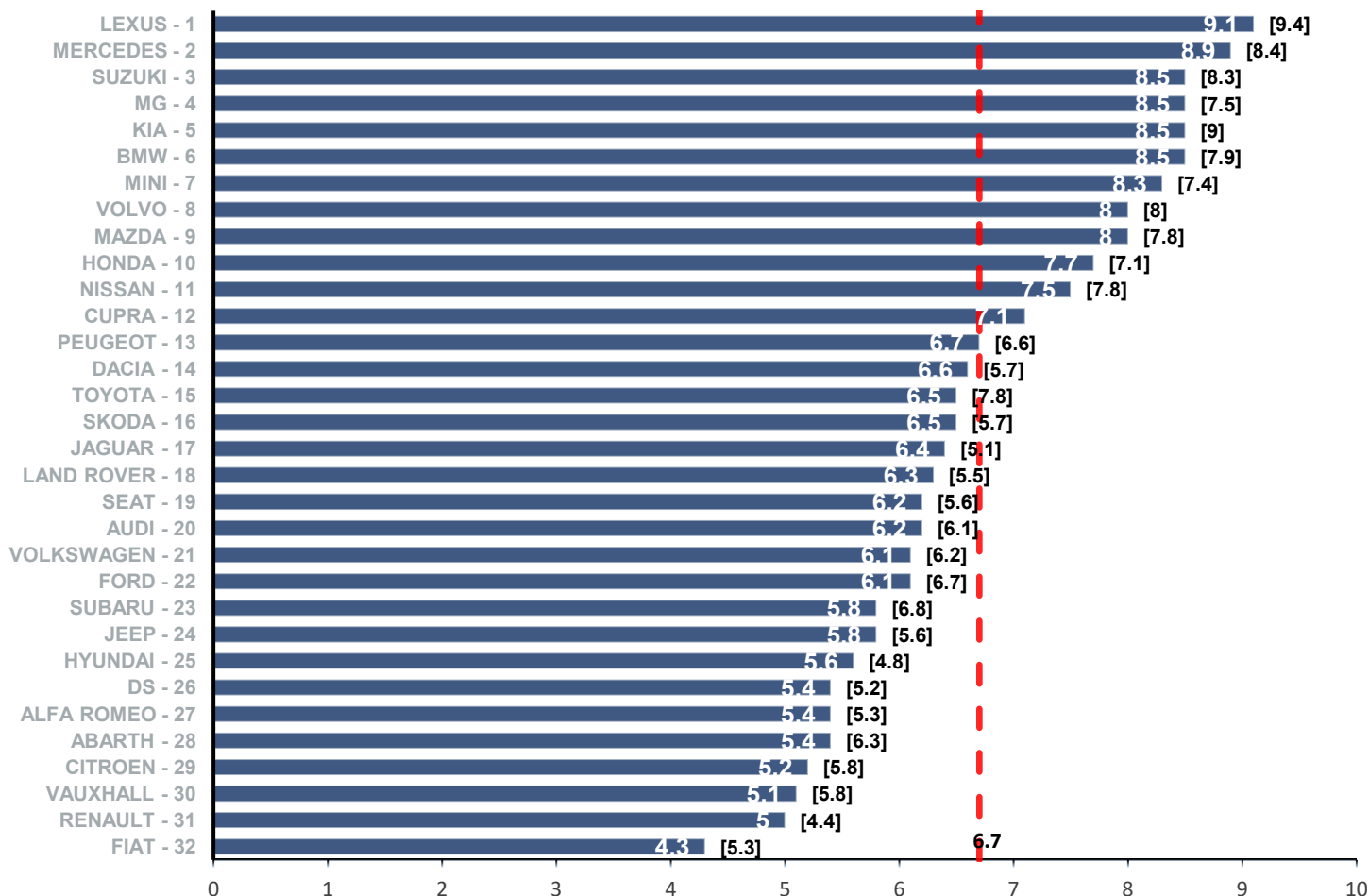
Biggest improvement:	Dacia	+2.0 points
Largest decline:	Jeep	-1.3 points
Average score:		6.2 points
Previous average:		6.0 points

Summary:

There has been a slight increase in how manufacturer's take their networks' views into account is scored. The average score increased by 0.2, from 6.0 points in the Winter 2021/2022 edition to 6.2 in this latest edition. In total, 17 networks increased their scores from the previous study, while 14 decreased. 22 responses were above 5.0 points.

Day-to-day working relationship

13. Are your manufacturer's dealer standards fair and reasonable?



Biggest improvement: Jaguar +1.3 points

Largest decline: Toyota -1.3 points

Average score: 6.7 points

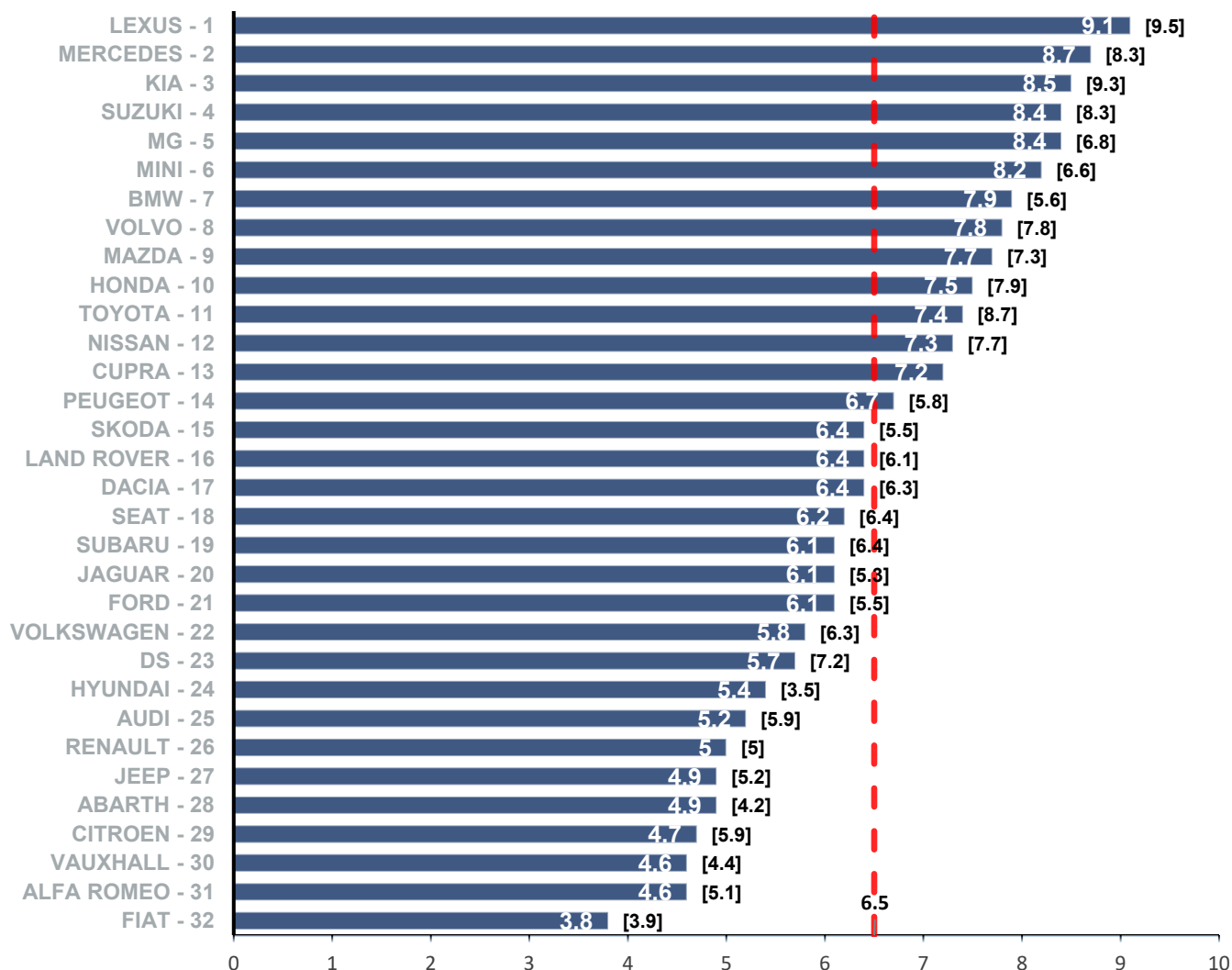
Previous average: 6.6 points

Summary:

There was a slight increase of 0.1 in this year's survey compared to the winter 2021/2022 edition. This survey polled 6.7 points for the average score concerning dealers' satisfaction with manufacturers' standards. 19 dealer networks raised their score whilst 11 saw a drop, 1 remained the same. All but 1 response were above the 5.0 point mark.

Day-to-day working relationship

14. Are the performance measures used by your manufacturer on your business fair and reasonable?



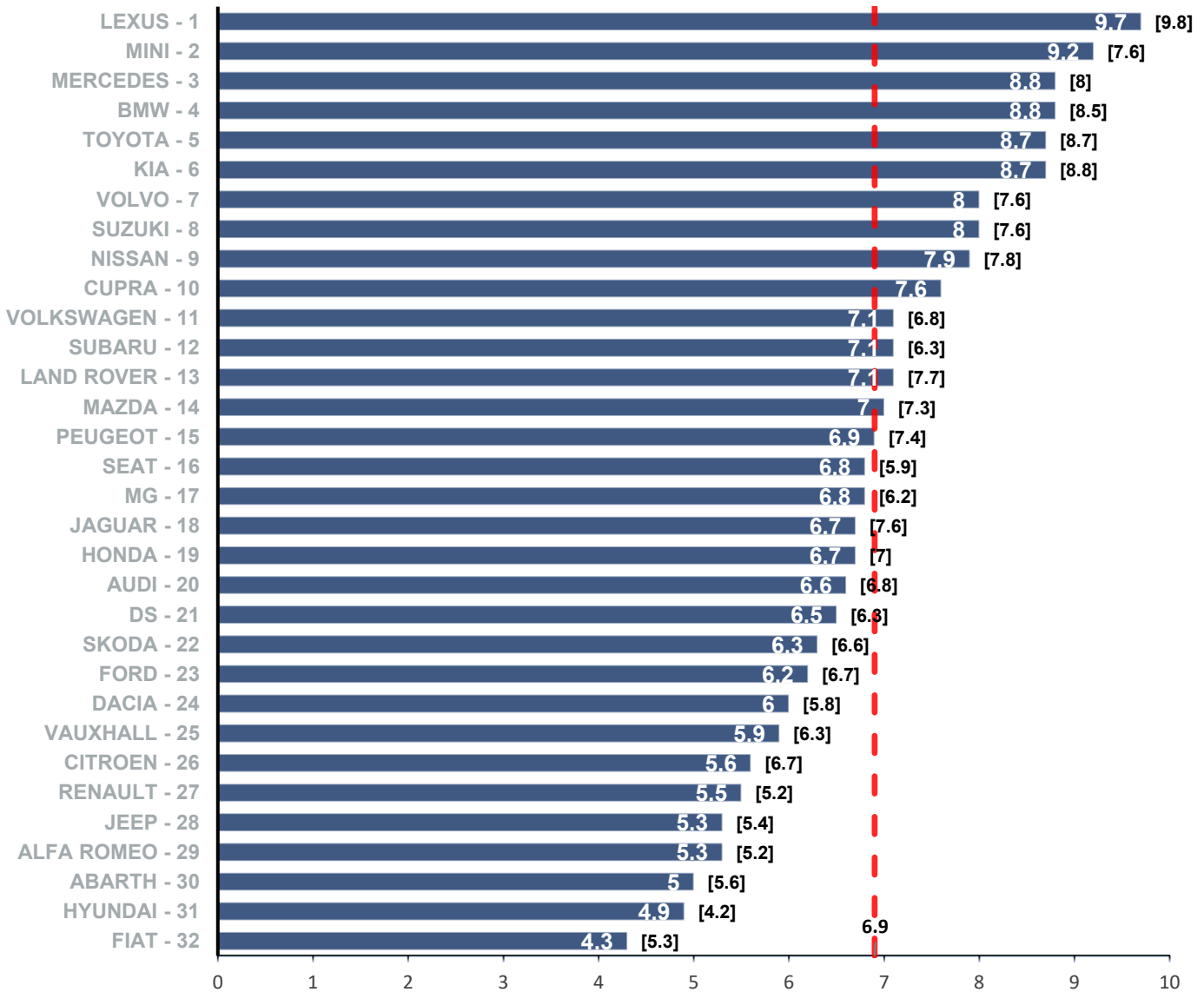
Biggest improvement:	Land Rover	+1.8 points
Largest decline:	Subaru/Fiat	-0.9 points
Average score:		6.5 points
Previous average:		6.4 points

Summary:

Dealers' satisfaction levels with the standard and performance measures used by their manufacturers have increased in this year's survey to an average score of 6.5 points. For this question, 14 scores improved, and 14 decreased, with 3 remaining constant; 25 responses were greater than 5.0 points. A fall from last year which saw all 31 responses above 5.

Training

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



Biggest improvement: Mini +1.6 points

Largest decline: Fiat -1.0 points

Average score: 6.9 points

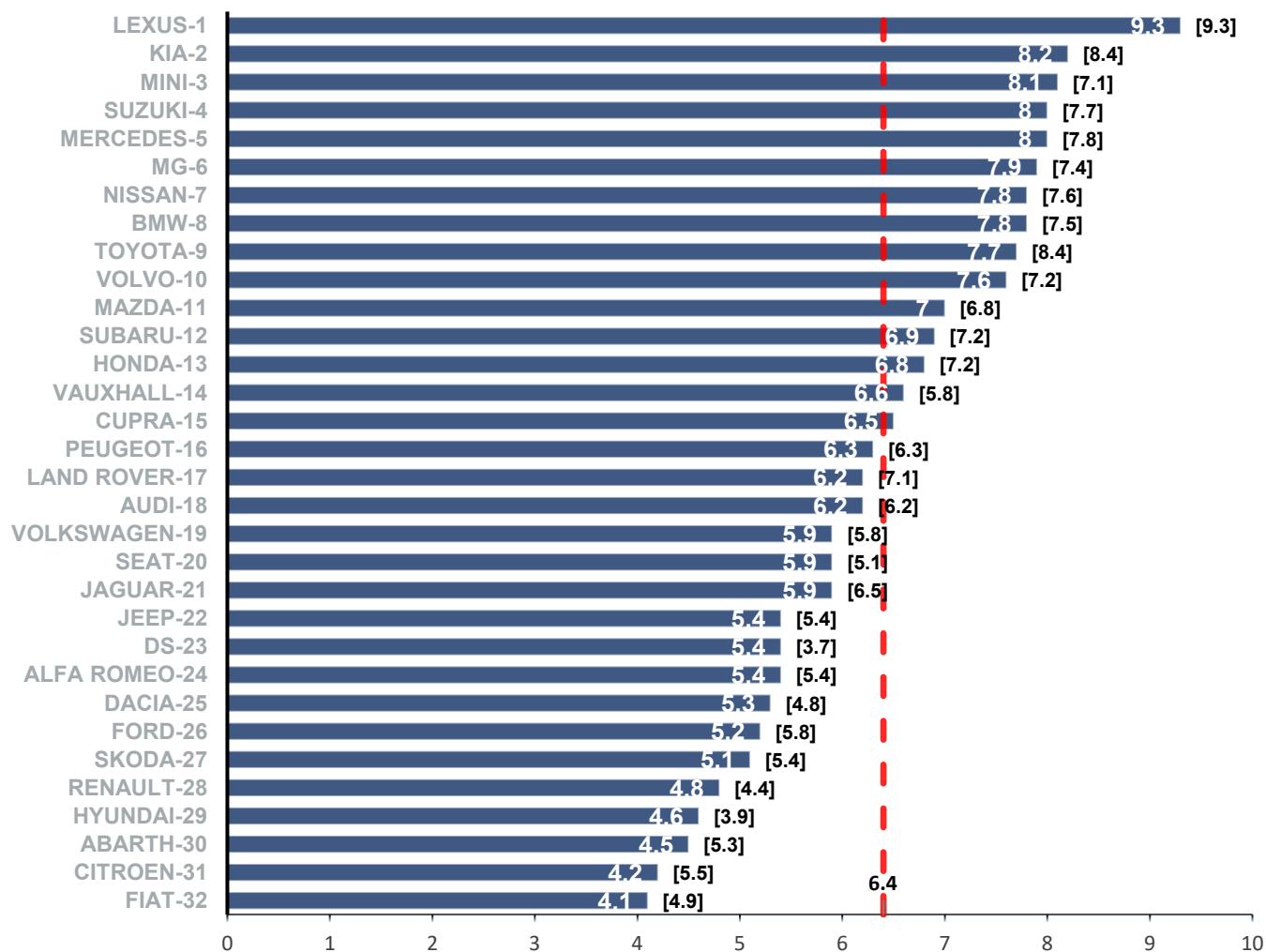
Previous average: 6.9 points

Summary:

There was no change in how retailers felt the quality of their manufacturers' training was with the average score remaining at 6.9 points, as was the case for the previous two editions. There were 29 responses above 5.0; 15 scores improved, the same number decreased with 2 manufacturer scores stayed the same.

Training

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



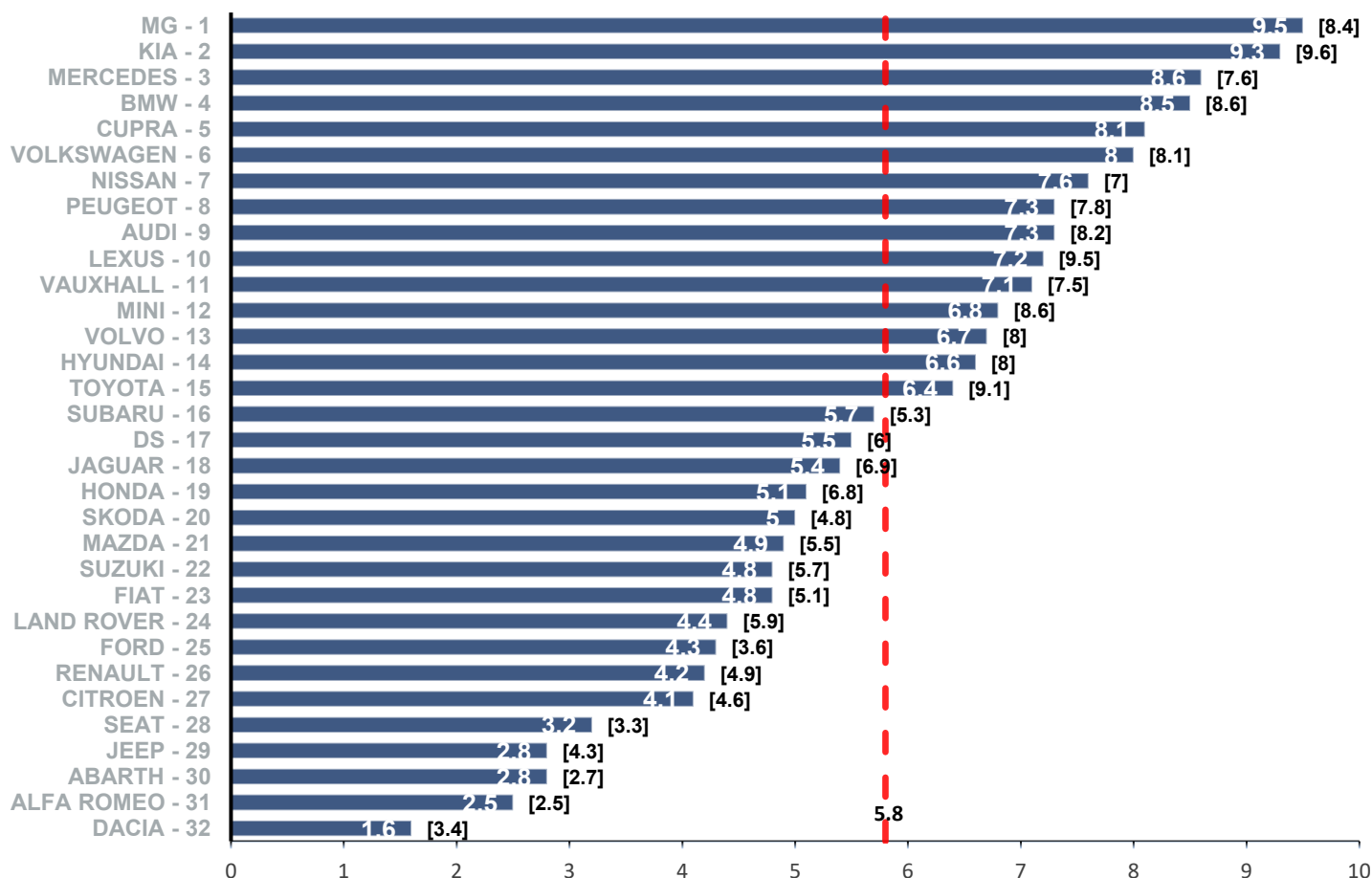
Biggest improvement:	DS	+1.7 points
Largest decline:	Citroen	-1.3 points
Average score:		6.4 points
Previous average:		6.4 points

Summary:

Question 16s generated an average score of 6.4, indicated no change in the average dealers' satisfaction levels with the cost of their manufacturers' training. 15 dealer networks increased their scores from the winter 2021/2022 edition of the survey whilst 11 decreased, 1 dealer stayed the same. Over 27 dealerships scored over 5.0.

Alternative fuel

17. How satisfied are you with the battery electric vehicle products your manufacturer currently offers?



Biggest improvement: MG +0.9 points

Largest decline: Toyota -2.7 points

Average score: 5.8 points

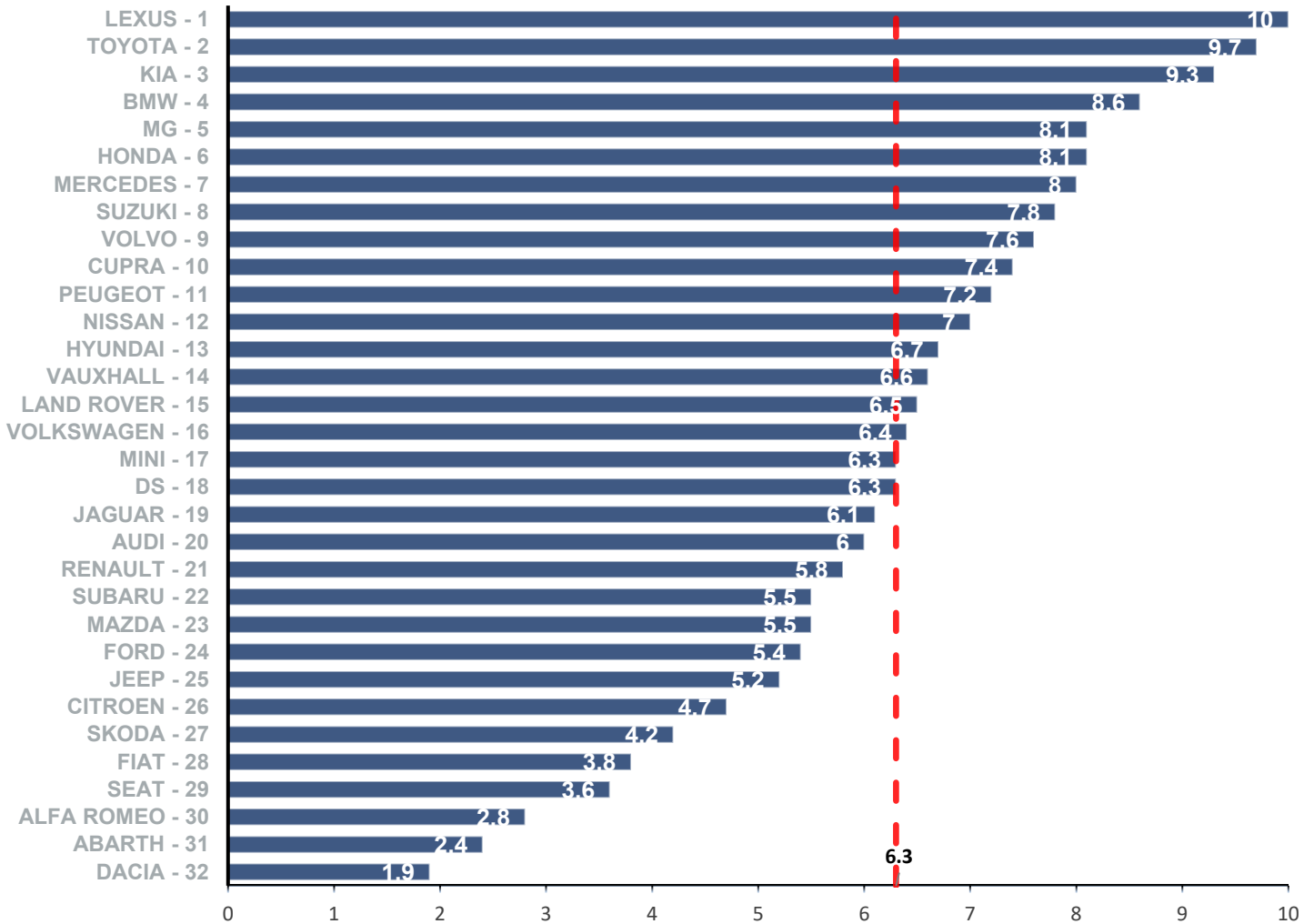
Previous average: 6.9 points

Summary:

There was a sharp reduction in the average dealers' satisfaction score with their brands' alternative fuel vehicle offer with scores falling by 1.1 points from 6.9 to 5.8. A majority of scores (19) were above the 5.0 mark. 7 responses increased from last year, 1 remained stable and 23 dropped.

Future Directions

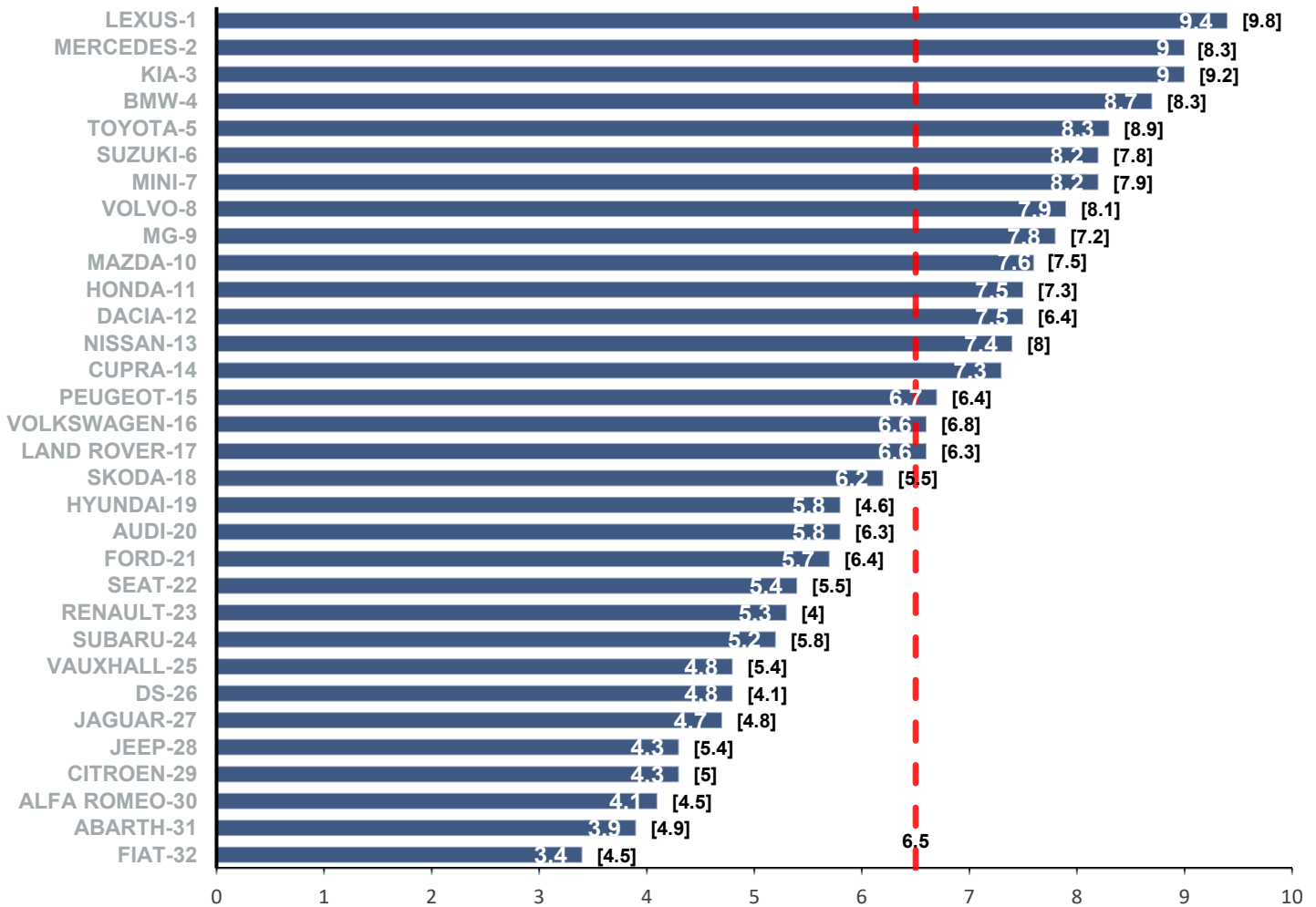
18. How satisfied are you with your manufacturer's approach to future retailing agreements and channels?



Highest score:	Lexus	10 points
Lowest score:	Dacia	1.9 points
Number of scores over 5:	24/75%	
Average score:	6.3 points	

Overall scores

19. How would you rate your manufacturer overall?



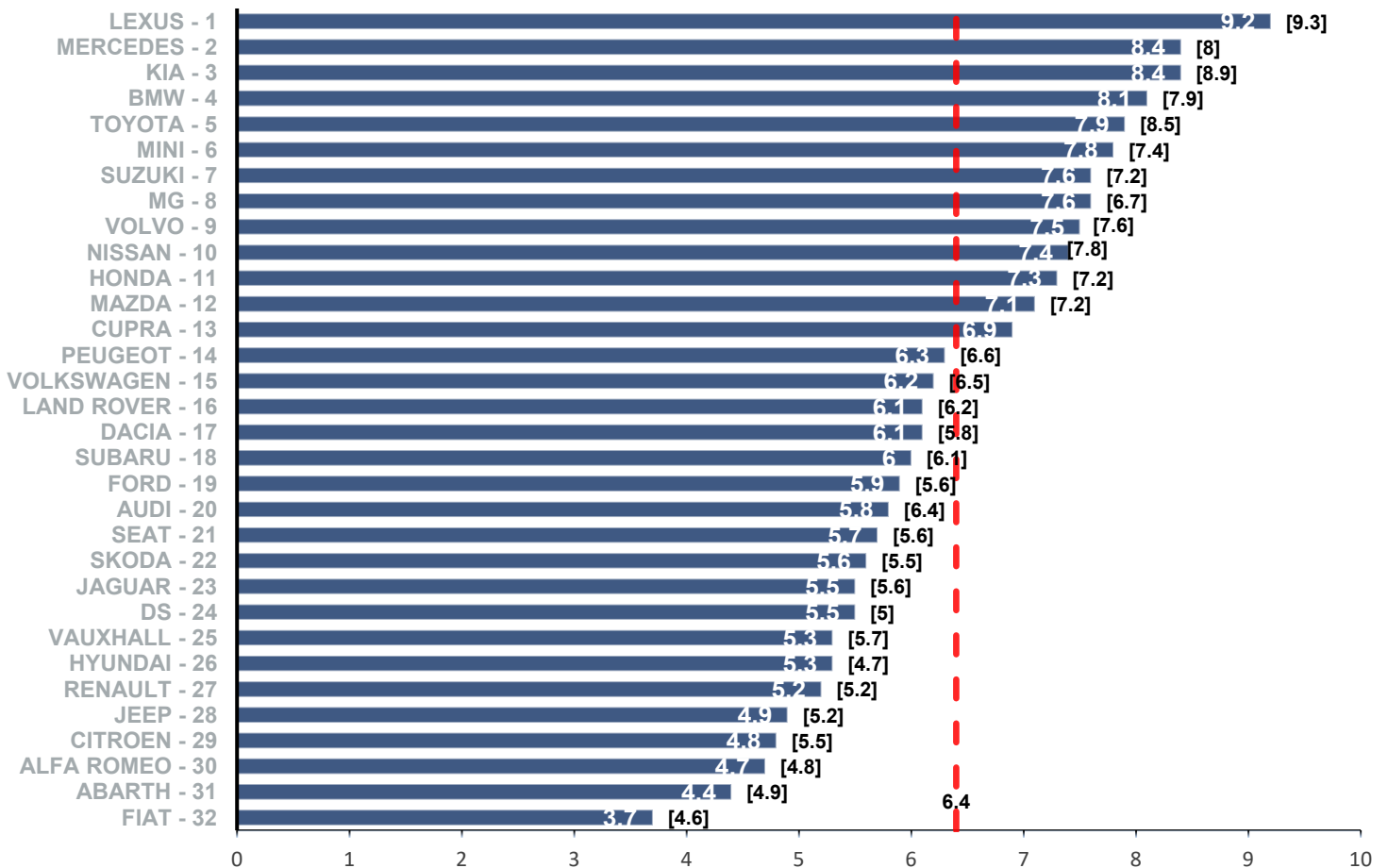
Biggest improvement:	Renault	+1.3 points
Largest decline:	Jeep	-1.1 points
Average score:		6.5 points
Previous average:		6.5 points

Summary:

The average score given to the penultimate question has remained the same. Polling at 6.5. A total of 14 networks followed this increase whilst a further 16 decreased, the remainder stayed the same. 24 or 75% of responses had scores above 5.0 points.

Overall scores

20. Average score across all questions



Biggest improvement:	MG	+0.9 points
Largest decline:	Fiat	-0.9 points
Average score:		6.4 points
Previous average:		6.5 points

Summary:

The average score across all questions of the survey provides an accurate overview of the overall performance of each manufacturer. Across the survey, there has been a slight decrease compared with six months ago, with the overall average remaining at 6.4. A year ago, the average was 6.3; 19 scores decreased this survey, whilst 12 scores increased. The number of manufacturers who scored over 5 was 27.



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