



NFDA

NATIONAL FRANCHISED DEALERS ASSOCIATION

Dealer Attitude Survey

Summer 2018

Contents

• Introduction.....	3
• Profit return.....	4
• Return on investment.....	7
• Targets.....	9
• Self-registrations.....	11
• Incentives.....	12
• Day-to-day working relationship.....	13
• Standards and performance measures.....	15
• Used cars.....	17
• Future directions.....	19
• Overall manufacturer scores.....	21

Introduction

We are pleased to present the findings of the NFDA Dealer Attitude Survey Summer 2018. The survey was conducted in July 2018 and asked franchised dealers about their on-going relationship with their respective manufacturers.

NFDA, which represents franchised car dealers in the UK, carries out the Dealer Attitude Survey twice a year. The results reflect the general state of the dealer/manufacturer relationship, indicate potential issues and outlines where there are strong and constructive working relationships. NFDA analyses where key elements of the relationship have improved or deteriorated.

Dealers were asked a series of questions covering a range of business aspects and their impact on the relationship with the manufacturers. Responses are scored from 1 (extremely dissatisfied) to 10 (extremely satisfied). The NFDA surveyed 30 franchised networks and received 1,715 responses from dealers, equating to a 40% response rate.

This report is a summary of the results of the Dealer Attitude Survey Summer 2018. It includes charts and analysis of the main questions giving an overview of the findings. A full version of the report is available on request.

Sue Robinson

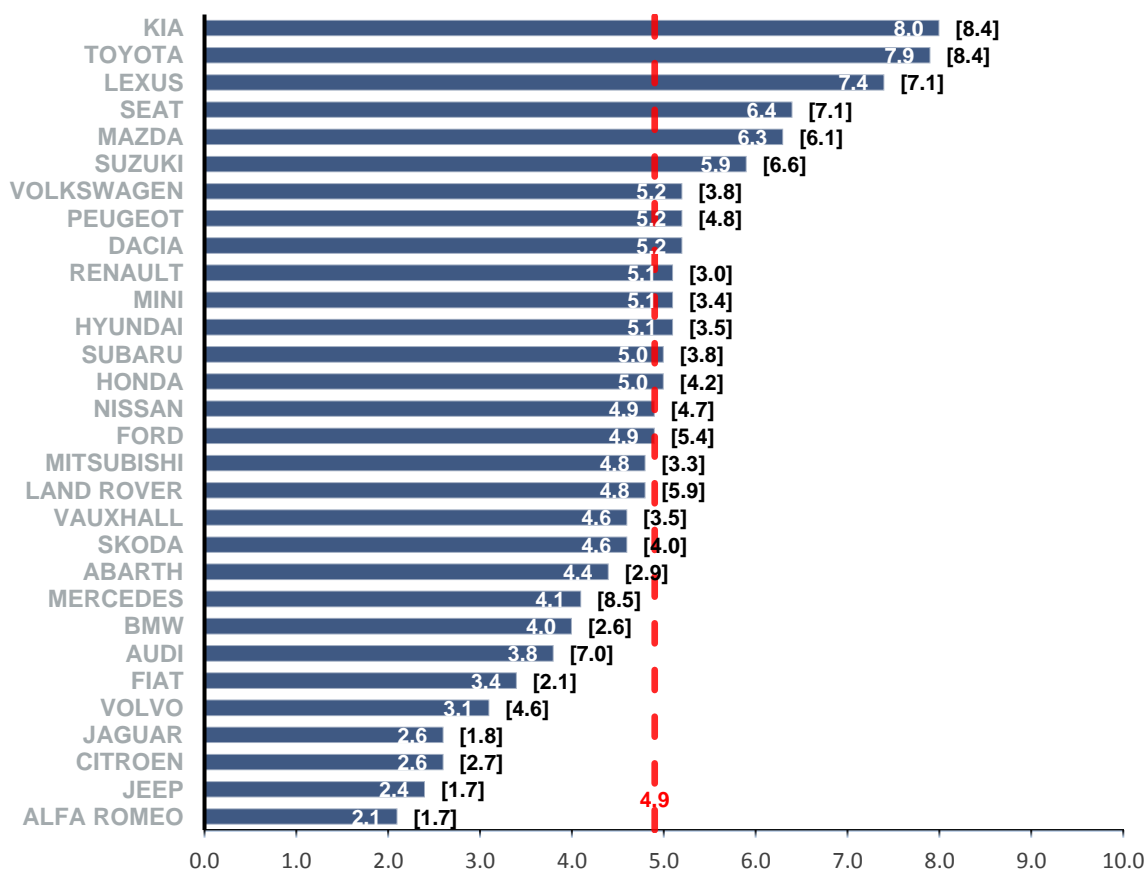
Director, National Franchised Dealers Association



The survey was analysed by the National Franchised Dealers Association (NFDA). For more information, contact: Louise Woods, **01788 538332** or **louisewoods@rmif.co.uk**

Profit return

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



Figures in white = Summer 2018

Figures in black = Winter 2017/2018

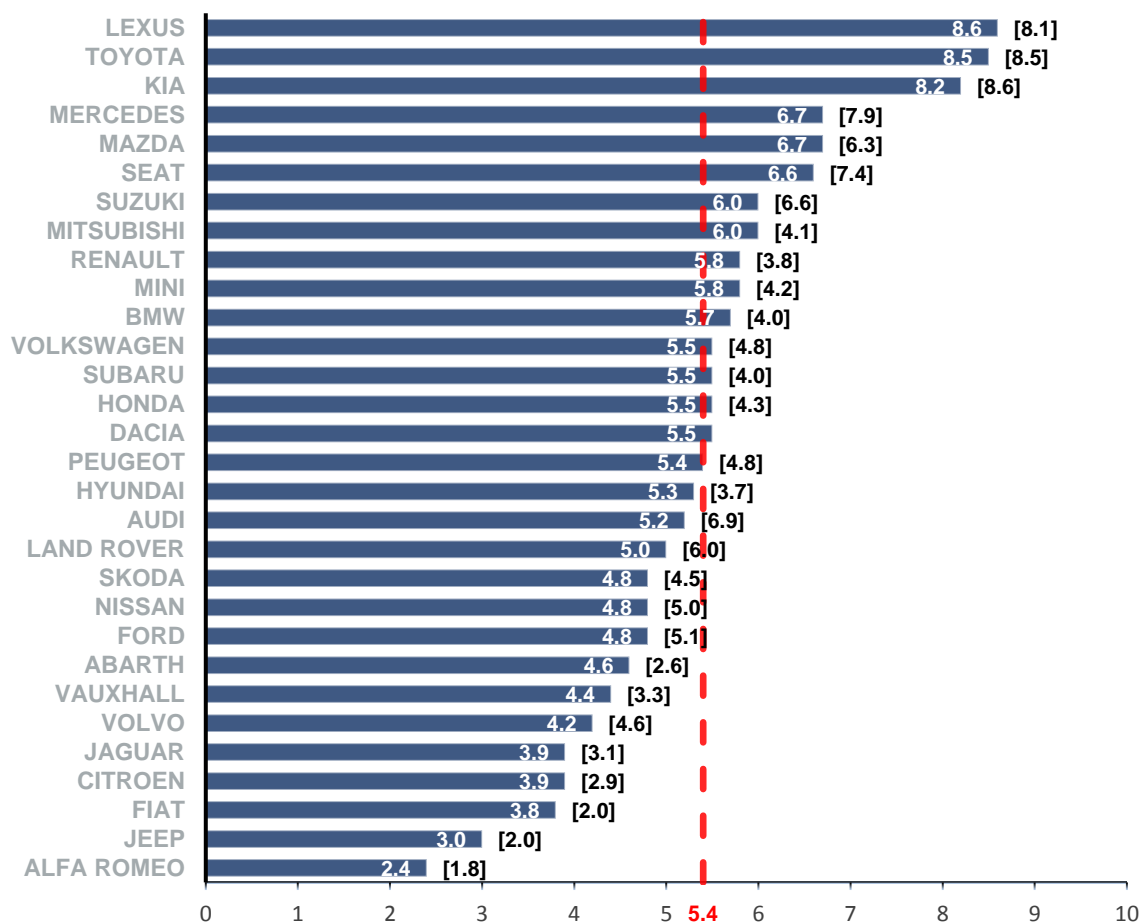
Top performer:	Kia	8.0 points
Bottom performer:	Alfa Romeo	2.1 points
Most improved:	Renault	+2.1 points
Biggest decline:	Mercedes	-4.4 points
Average score:		4.9 points

Summary

The average response rate increased by 0.4 points from 4.5 to 4.9 compared to the previous survey. There were 12 responses above the 5.0 neutral score, 19 dealer networks saw their levels of satisfaction increase, whilst 10 experienced a decrease.

Profit return

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



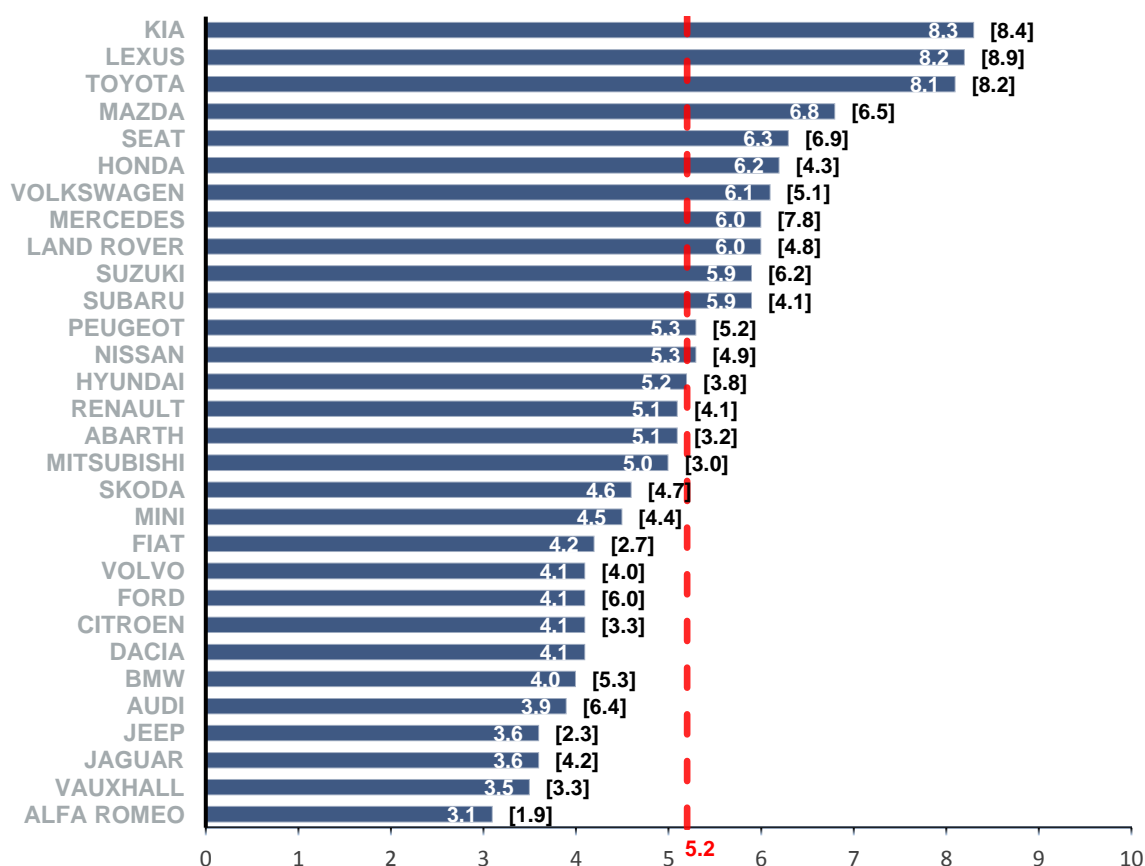
Top performer:	Lexus	8.6 points
Bottom performer:	Alfa Romeo	2.4 points
Most improved:	Abarth and Renault	+2.0 points
Biggest decline:	Audi	-1.7 points
Average score:		5.4 points

Summary

Dealers were more optimistic about their predicted future profit than their current one with 18 out of 30 networks scoring above 5.0. The average score rose significantly from 4.8 to 5.4. Compared to six months ago, 19 dealer networks saw their score increase, nine decreased and one remained unchanged.

Profit return

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



Top performer: Kia 8.3 points

Bottom performer: Alfa Romeo 3.1 points

Most improved: Mitsubishi +2.0 points

Biggest decline: Audi -2.5 points

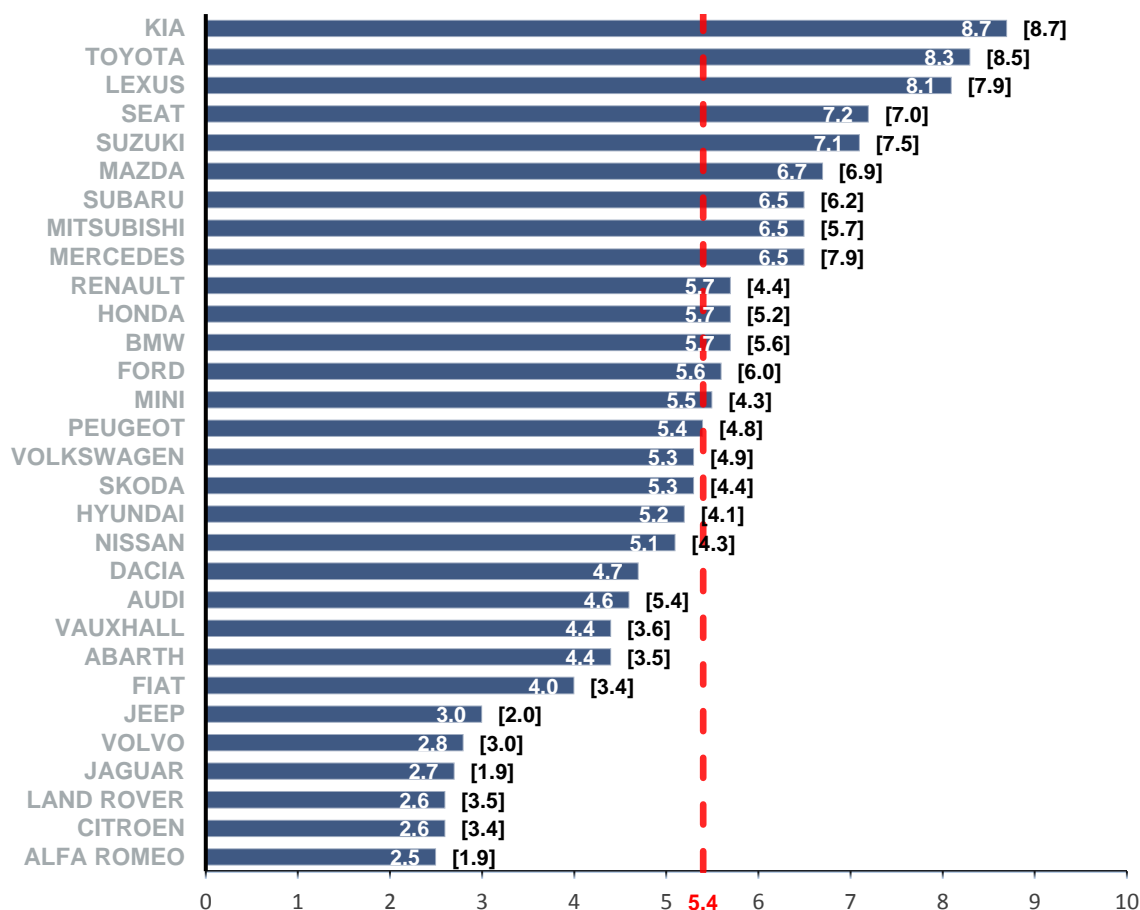
Average score: 5.2 points

Summary

With regards to margin on new vehicles, the average score went up from last winter's 4.9 to 5.2. More than half of respondents (16, 53%) gave an answer above 5.0. Of the dealer networks surveyed, 18 improved, while 11 declined.

Return on investment

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



Top performer: Kia 8.7 points

Bottom performer: Alfa Romeo 2.5 points

Most improved: Renault +1.3 points

Biggest decline: Mercedes -1.4 points

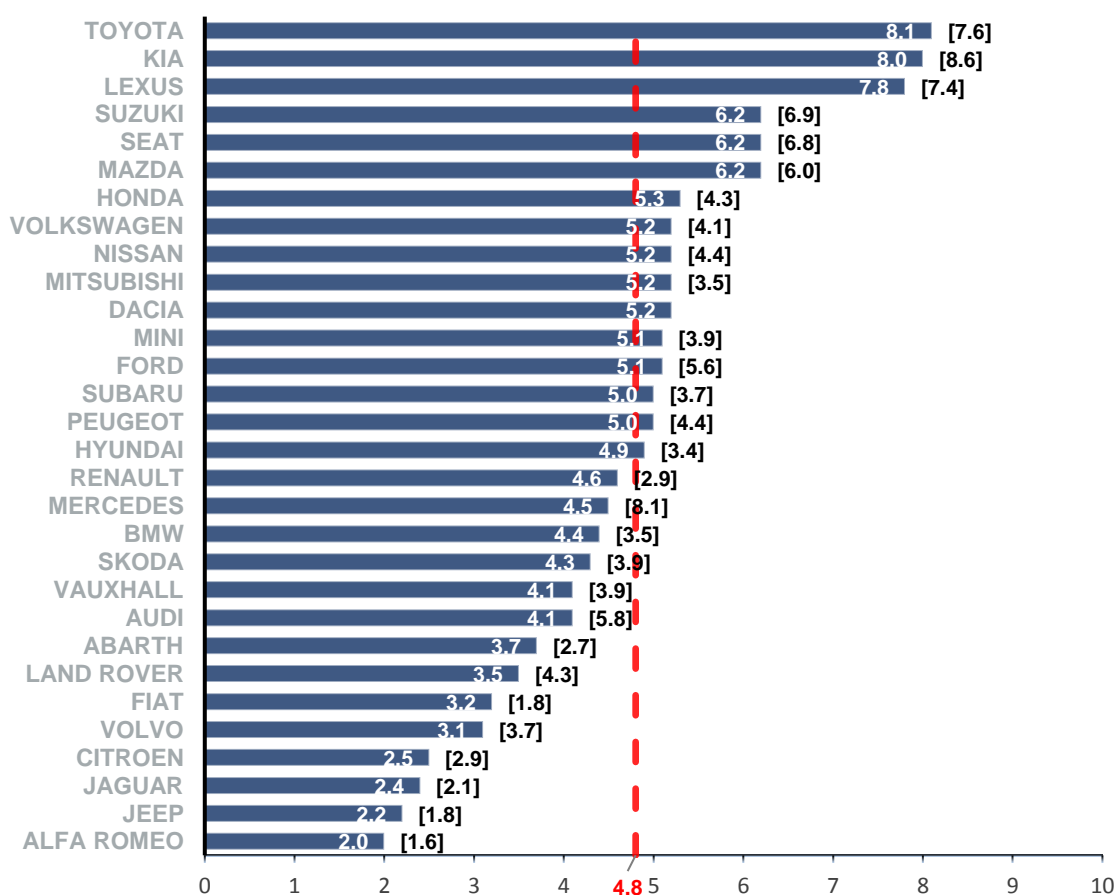
Average score: 5.4 points

Summary

The 5.4 average score is 0.4 points higher than six months ago. Nearly two-thirds of the dealer networks surveyed (19), saw an increase in rating, nine declined and one did not change. Overall, 19 dealer networks gave an answer above 5.0.

Return on investment

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



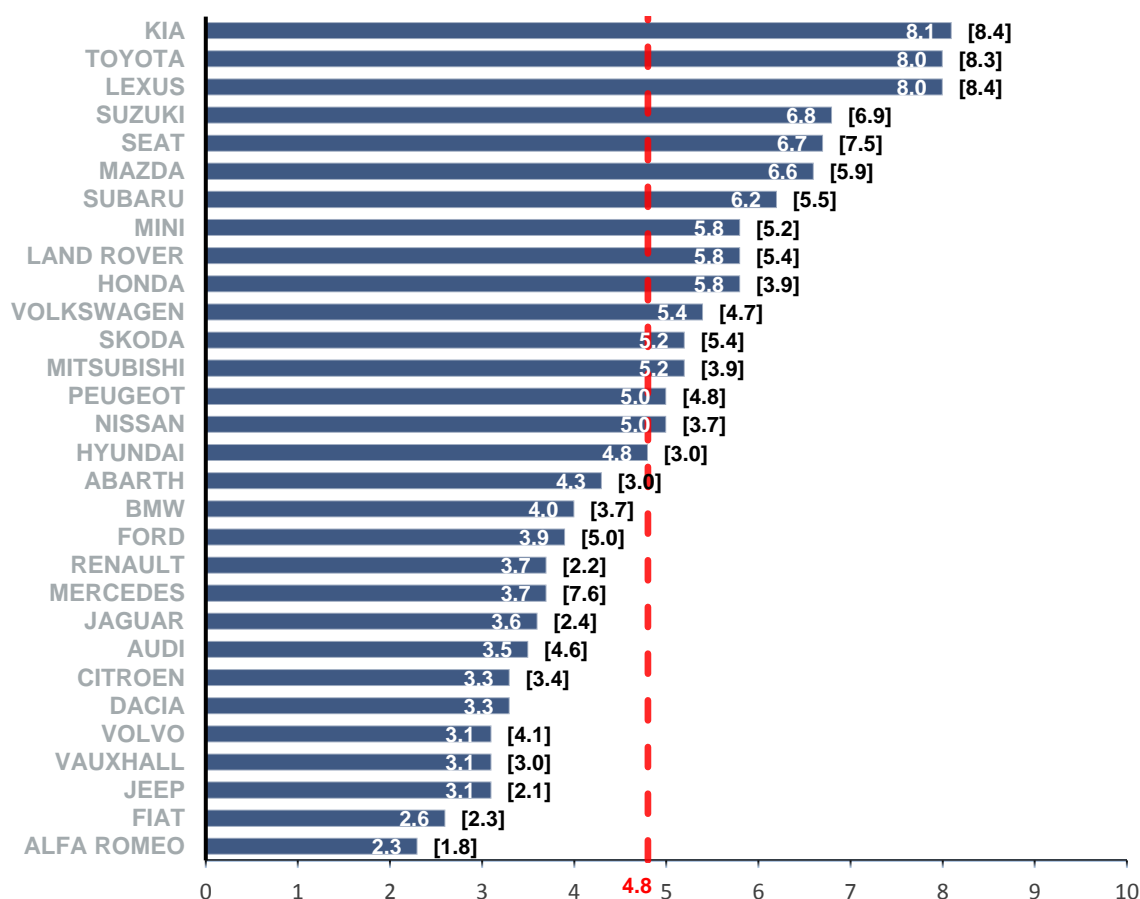
Top performer:	Toyota	8.1 points
Bottom performer:	Alfa Romeo	2.0 points
Most improved:	Mitsubishi and Renault	+1.7 points
Biggest decline:	Mercedes	-3.6 points
Average score:		4.8 points

Summary

On average, dealers showed more satisfaction than six months ago with their return on capital (4.8 v 4.5). Out of the networks surveyed, 20 saw their score increase, while nine had a decrease. Slightly less than half of respondents, 13, gave a score above the neutral mark of 5.0.

Targets

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



Top performer: Kia 8.1 points

Bottom performer: Alfa Romeo 2.3 points

Most improved: Abarth +2.3 points

Biggest decline: Mercedes -3.3 points

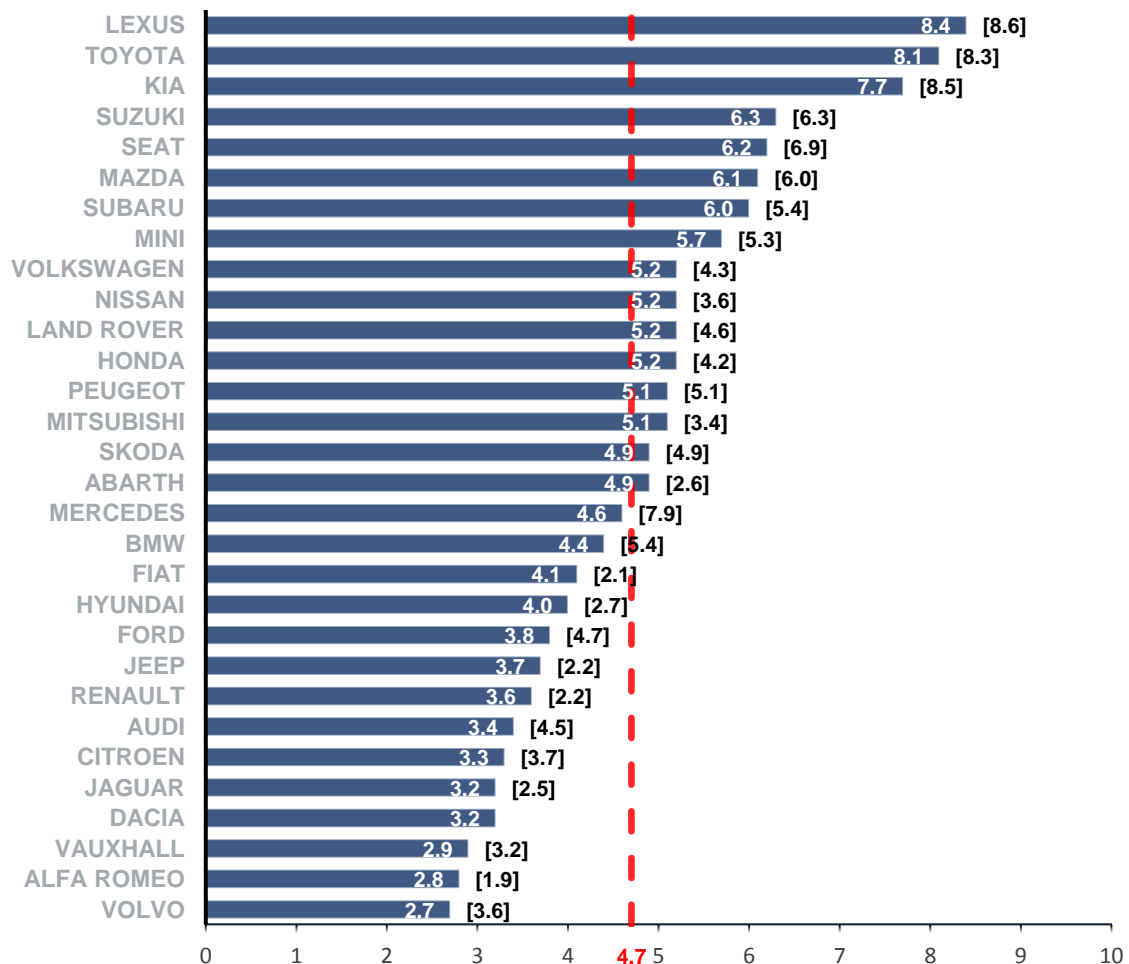
Average score: 4.8 points

Summary

The average score rose from 4.5 to 4.8 in line with last summer's results. Of the dealer networks surveyed, 18 saw their score grow, while 11 went down. Nearly half of the respondents (43%) gave a score above 5.0.

Targets

How satisfied are you with your new car targeting process?



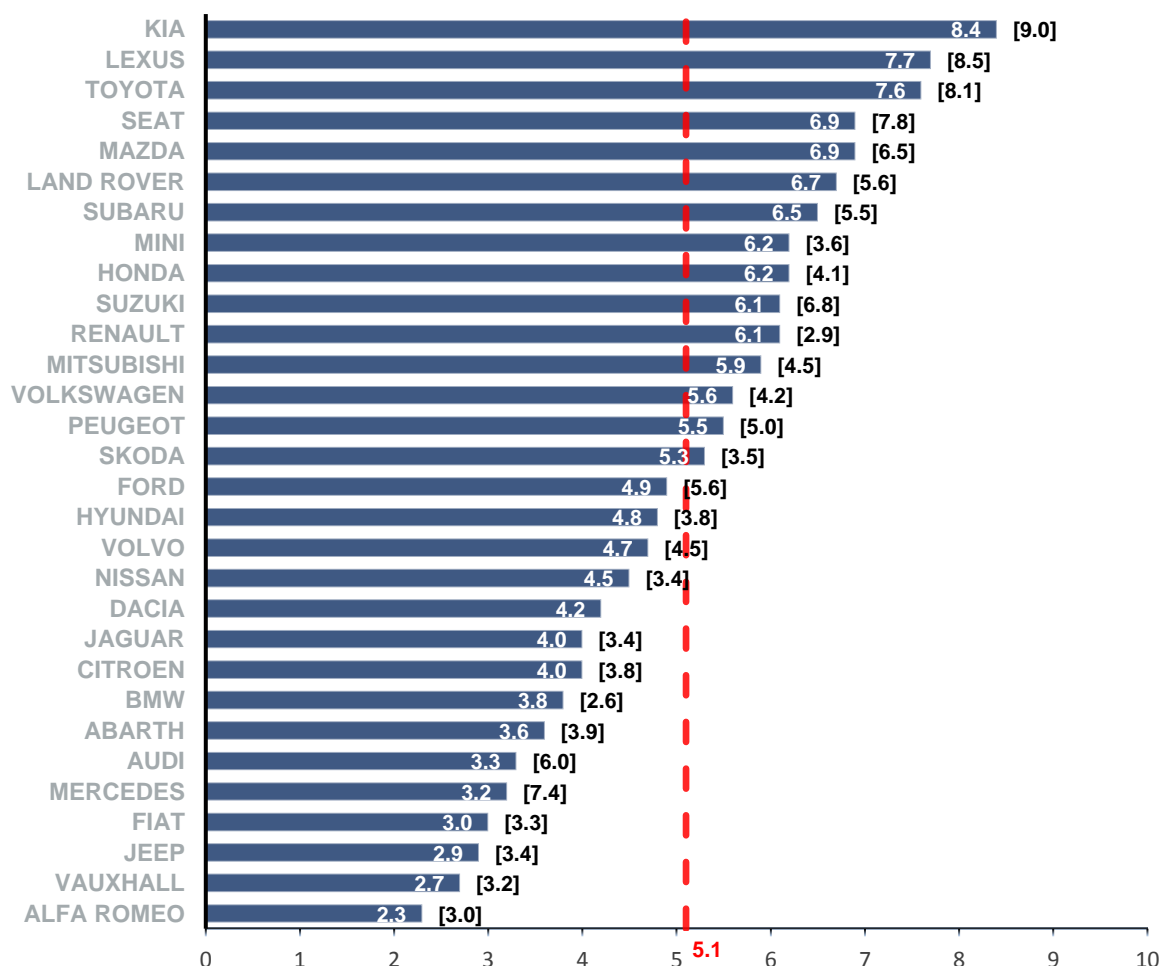
Top performer:	Lexus	8.4 points
Bottom performer:	Volvo	2.7 points
Most improved:	Abarth	+2.3 points
Biggest decline:	Mercedes	-3.3 points
Average score:		4.7 points

Summary

The average score of dealers' satisfaction with their new car targeting process grew by 0.2 points to 4.7. More than half of respondents, 15, saw their rating improve, 11 decreased and three remained unchanged.

Self-registrations

How satisfied are you with your manufacturer's inducement to self-register vehicles?



Top performer: Kia 8.4 points

Bottom performer: Alfa Romeo 2.3 points

Most improved: Renault +3.2 points

Biggest decline: Mercedes -4.2 points

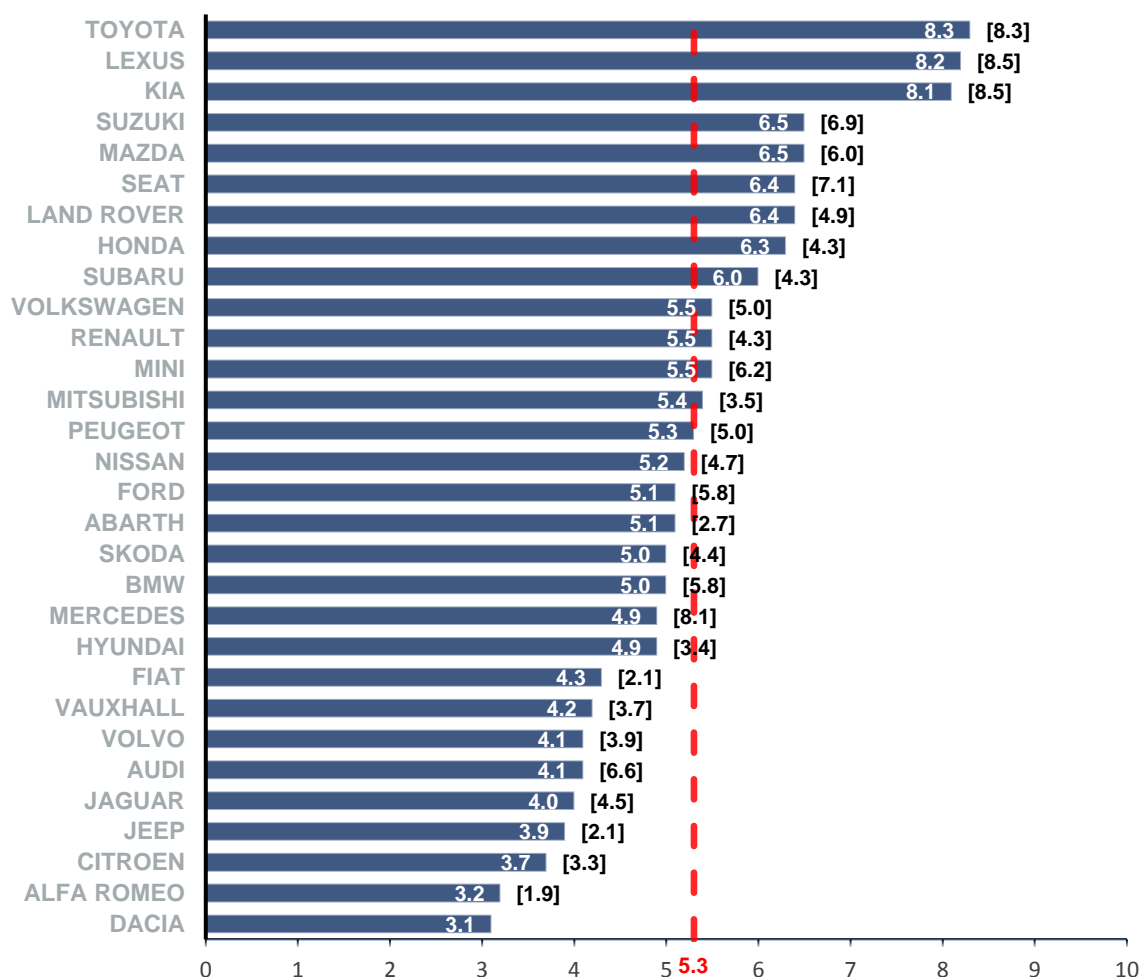
Average score: 5.1 points

Summary

The average levels of satisfaction with manufacturers' inducement to self-register vehicles rose from 4.8 to 5.1 points. More than half of the dealer networks surveyed (16) saw their score improve, while 13 gave a lower rating than six months ago. Half of the responses were above and half below 5.0.

Incentives

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



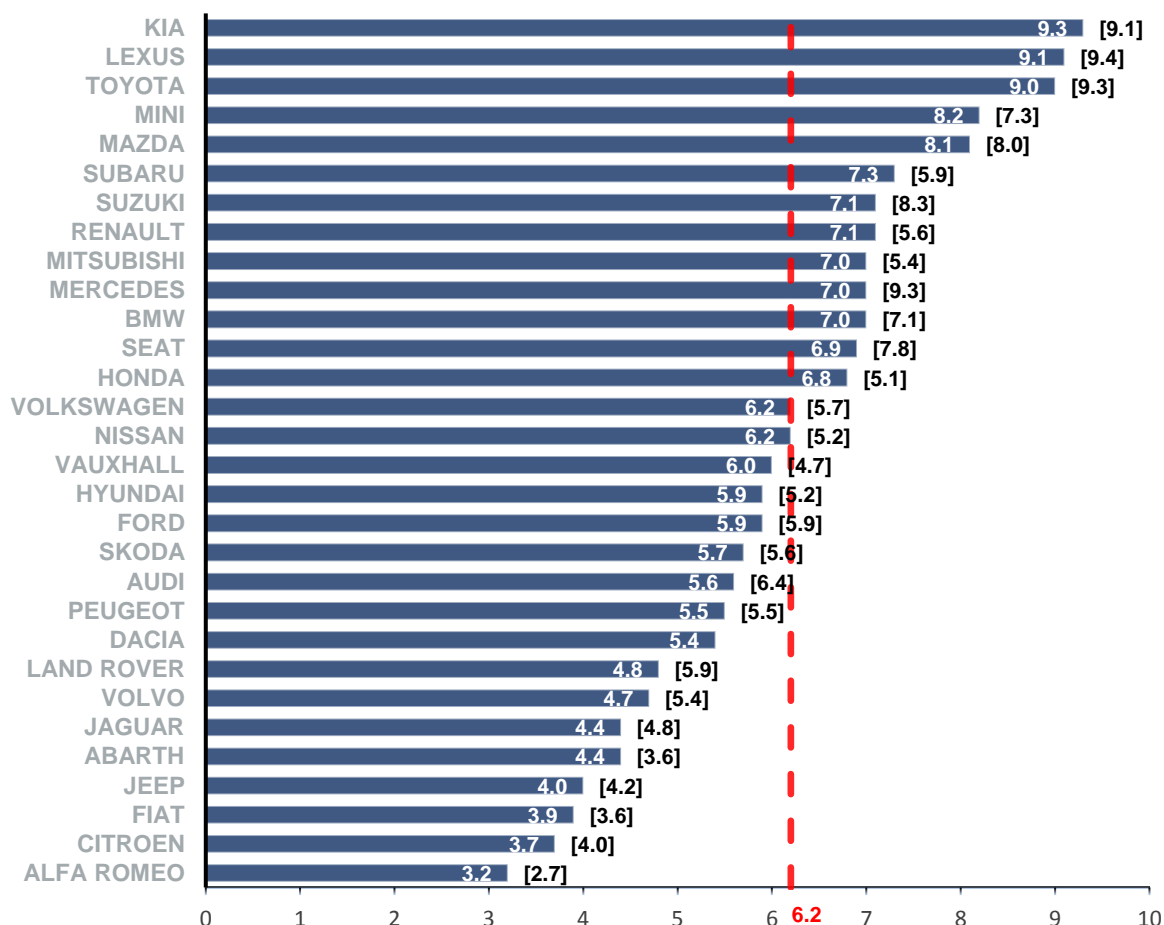
Top performer:	Toyota	8.3 points
Bottom performer:	Dacia	3.1 points
Most improved:	Abarth	+2.4 points
Biggest decline:	Mercedes	-3.2 points
Average score:		5.3 points

Summary

Regarding bonus and rebates on new car sales, the average score grew by 0.4 points from 4.9 to 5.3. In this issue of the survey, 18 ratings were higher than six months ago, 10 were lower and one did not change. Overall, 17 scores were above 5.0.

Day-to-day working relationship

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



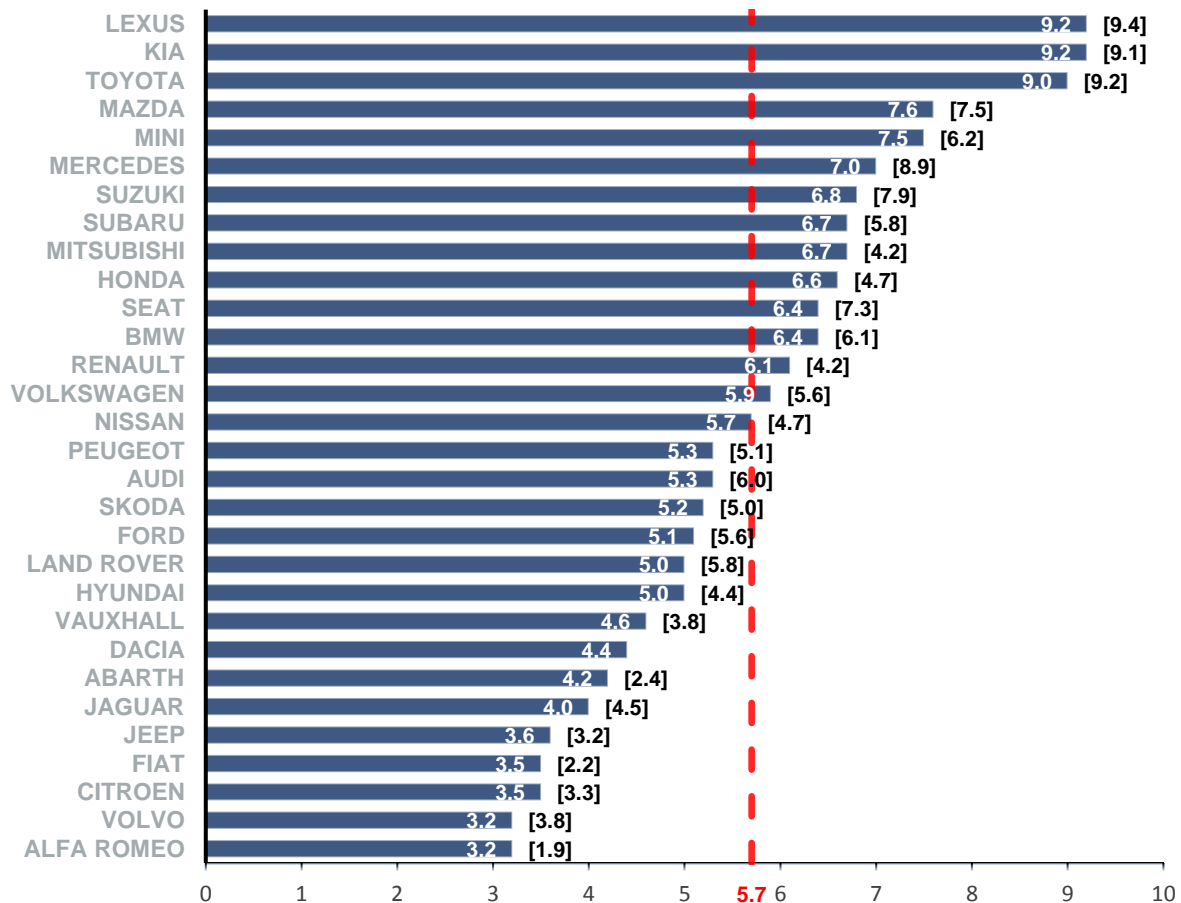
Top performer:	Kia	9.3 points
Bottom performer:	Alfa Romeo	3.2 points
Most improved:	Honda	+1.7 points
Biggest decline:	Mercedes	-2.3 points
Average score:		6.2 points

Summary

The ability to do business on a day-to-day basis is a key aspect of the dealer/manufacturer relationship and, positively, the average score was 0.3 higher than in winter. Just as six months ago, 22 networks reported satisfaction levels above the 5.0 neutral point. Overall, 15 saw their score go up, 12 went down and two remained the same.

Day-to-day working relationship

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



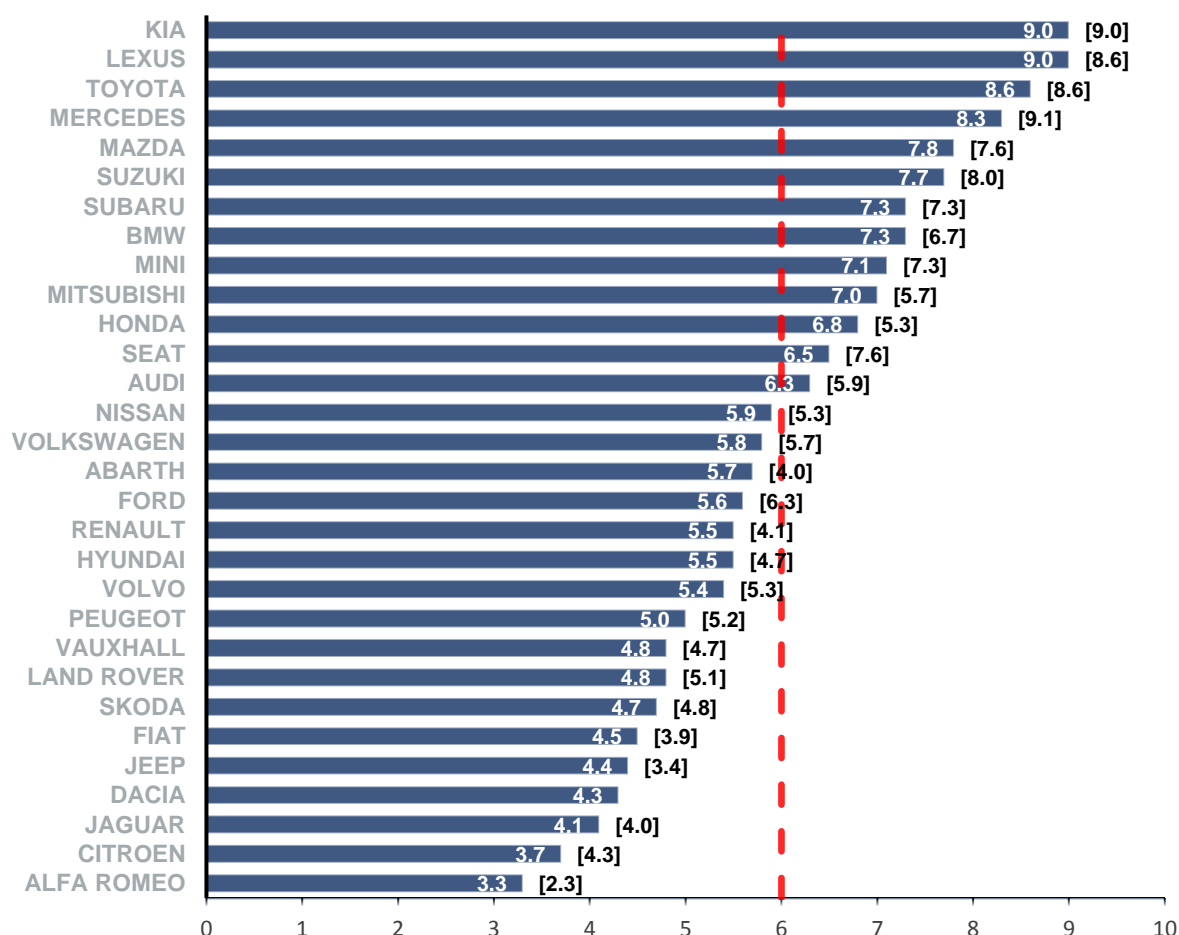
Top performer:	Kia and Lexus	9.2 points
Bottom performer:	Alfa Romeo	3.2 points
Most improved:	Mitsubishi	+2.5 points
Biggest decline:	Mercedes	-1.9 points
Average score:		5.7 points

Summary

With an average score of 5.7 compared to the winter's 5.3, dealers were more satisfied with this aspect of their day-to-day working relationship with their respective manufacturers. Overall, 19 networks saw their score improve, while 10 declined; 19 were also the scores above the neutral mark of 5.0.

Standards and performance measures

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



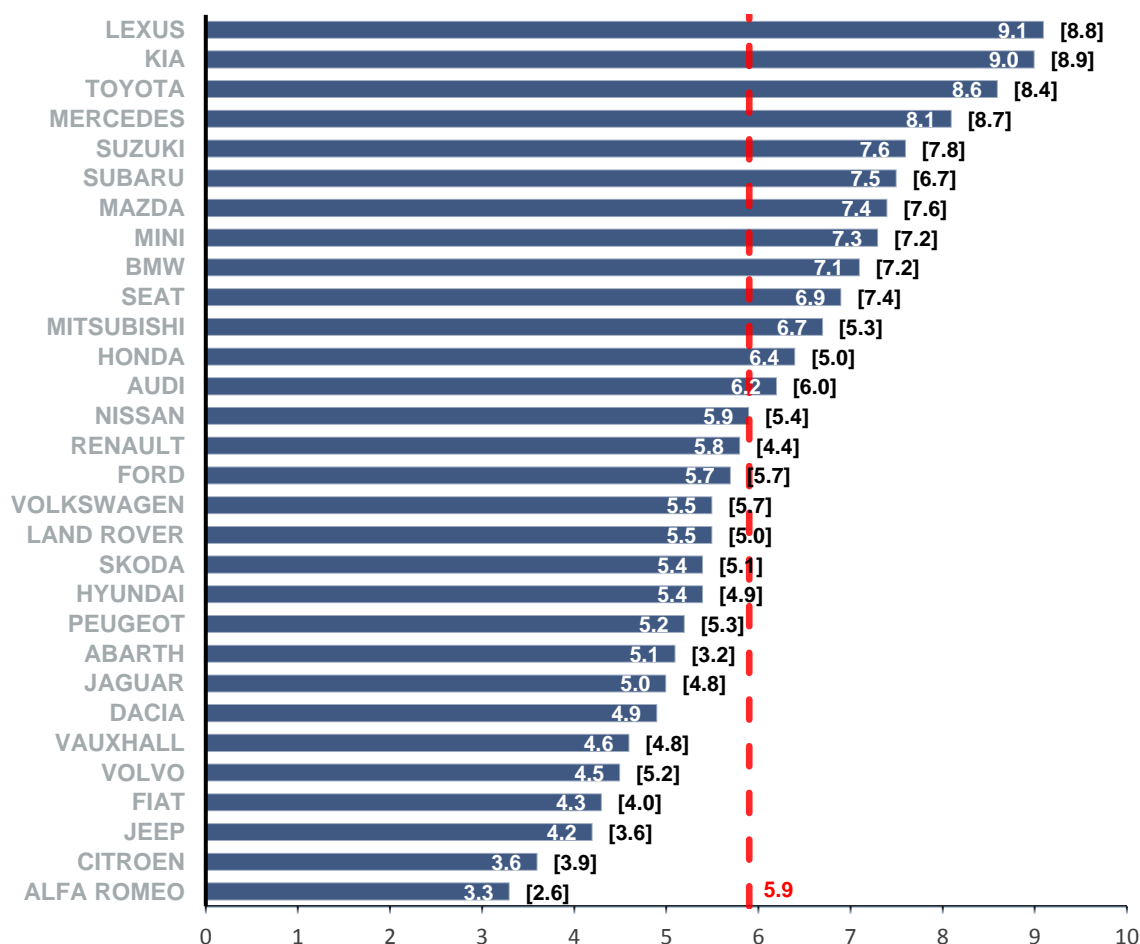
Top performer:	Kia	9.0 points
Bottom performer:	Alfa Romeo	3.3 points
Most improved:	Abarth	+1.7 points
Biggest decline:	Seat	-1.1 points
Average score:		6.0 points

Summary

The question about the fairness of manufacturers' dealer standards saw an improvement of 0.3 points from six months ago. Out of all the dealer networks, 17 responded more positively than in the previous issue of the survey, nine gave a lower score and three did not change. More than two thirds of the responses were above 5.0.

Standards and performance measures

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



Top performer: Lexus 9.1 points

Bottom performer: Alfa Romeo 3.3 points

Most improved: Abarth +1.9 points

Biggest decline: Volvo -0.7 points

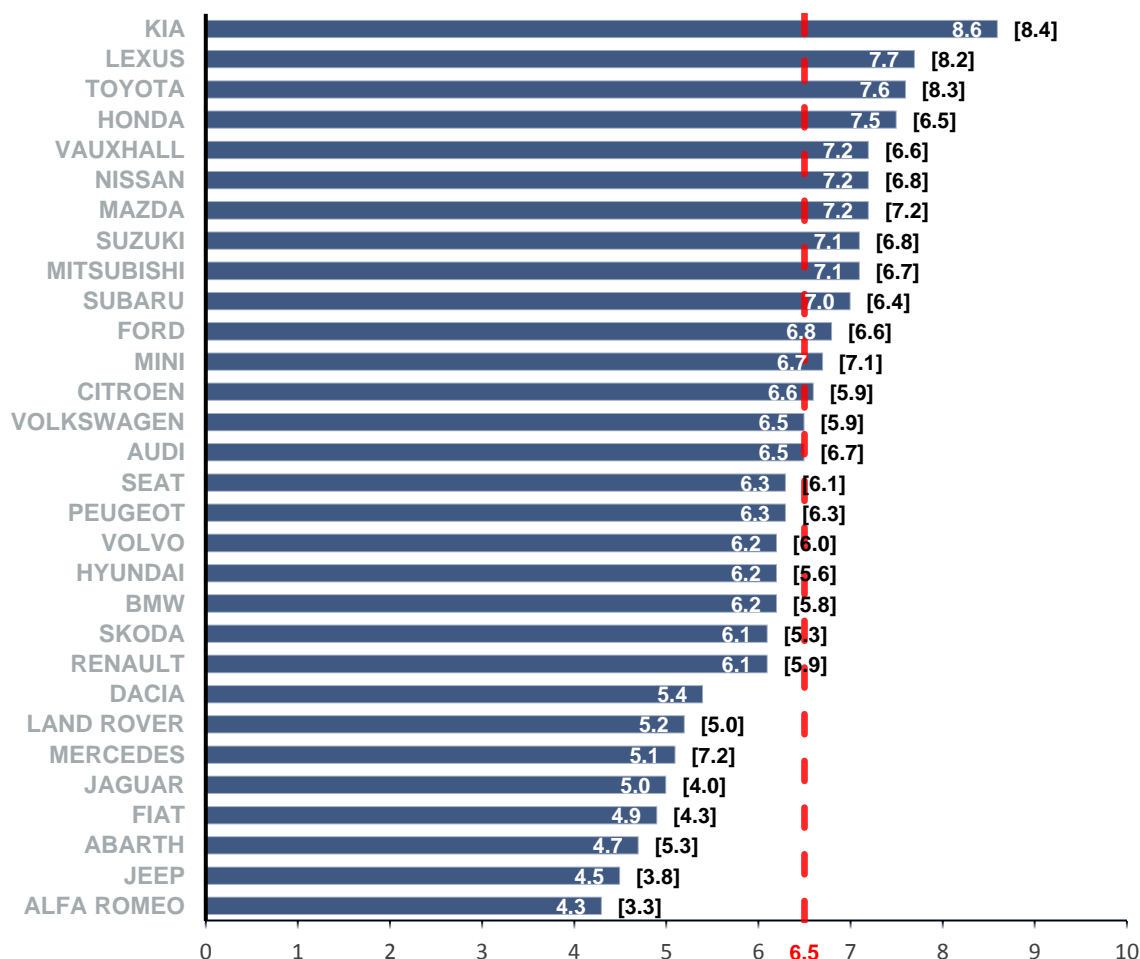
Average score: 5.9 points

Summary

The all dealer average of 5.9 was 0.2 higher than six months ago and at the same level as last summer's survey. Out of the dealer networks surveyed, 22 returned a score above 5.0; 18 saw their score increase, 10 had a decline and one remained the same.

Used cars

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



Top performer: Kia 8.6 points

Bottom performer: Alfa Romeo 4.3 points

Most improved: Alfa Romeo, Honda and Jaguar +1.0 points

Biggest decline: Mercedes -2.1 points

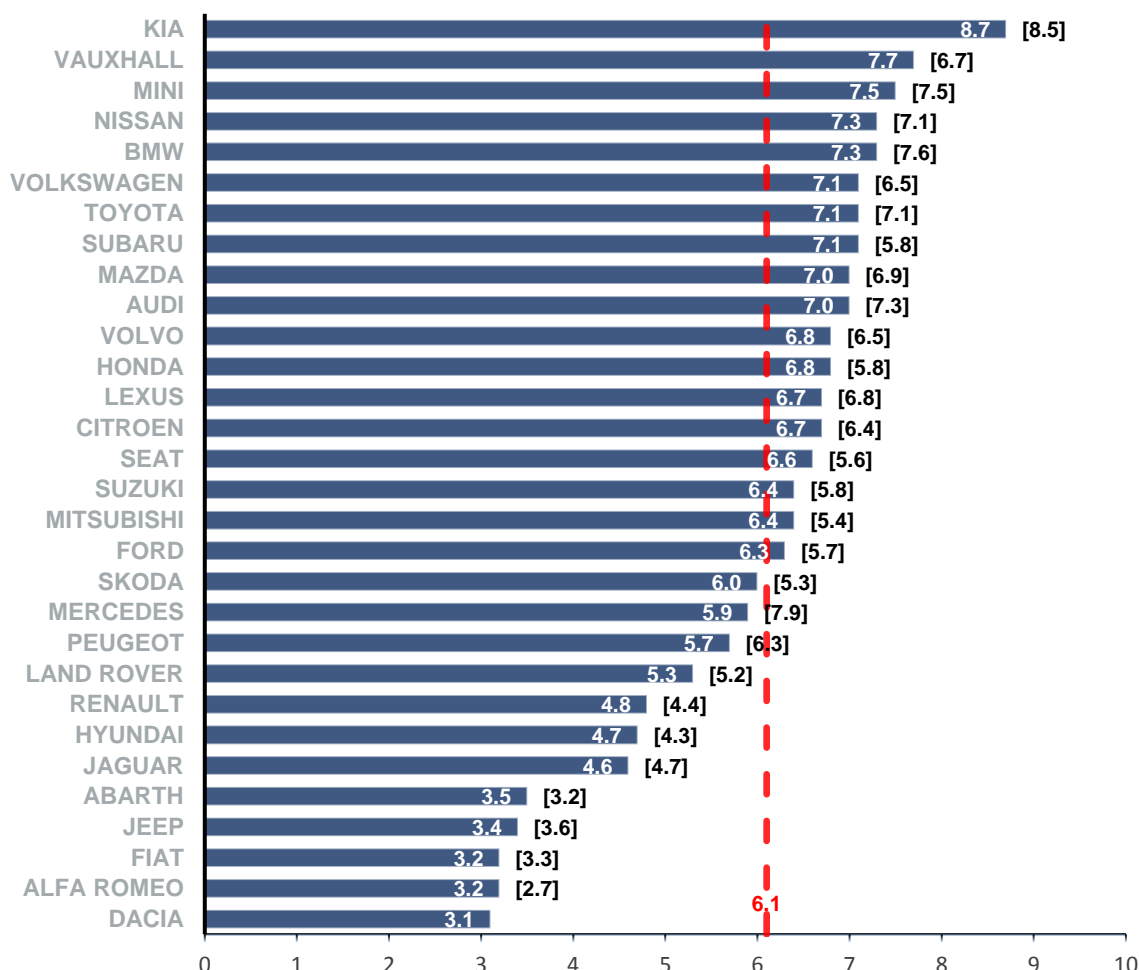
Average score: 6.5 points

Summary

A number of new questions about used cars were included for the first time in the previous issue of the survey. In this edition, dealers showed more satisfaction, on average, with their total margin on used car sales compared to six months ago (6.5 v 6.2). Most ratings (21) were higher than in winter, six were lower and two did not change. More than 80% of the responses were above the neutral mark of 5.0 (25 out of 30).

Used cars

How satisfied are you with your manufacturer's used car programme?



Top performer: Kia 8.7 points

Bottom performer: Dacia 3.1 points

Most improved: Subaru +1.3 points

Biggest decline: Peugeot -0.6 points

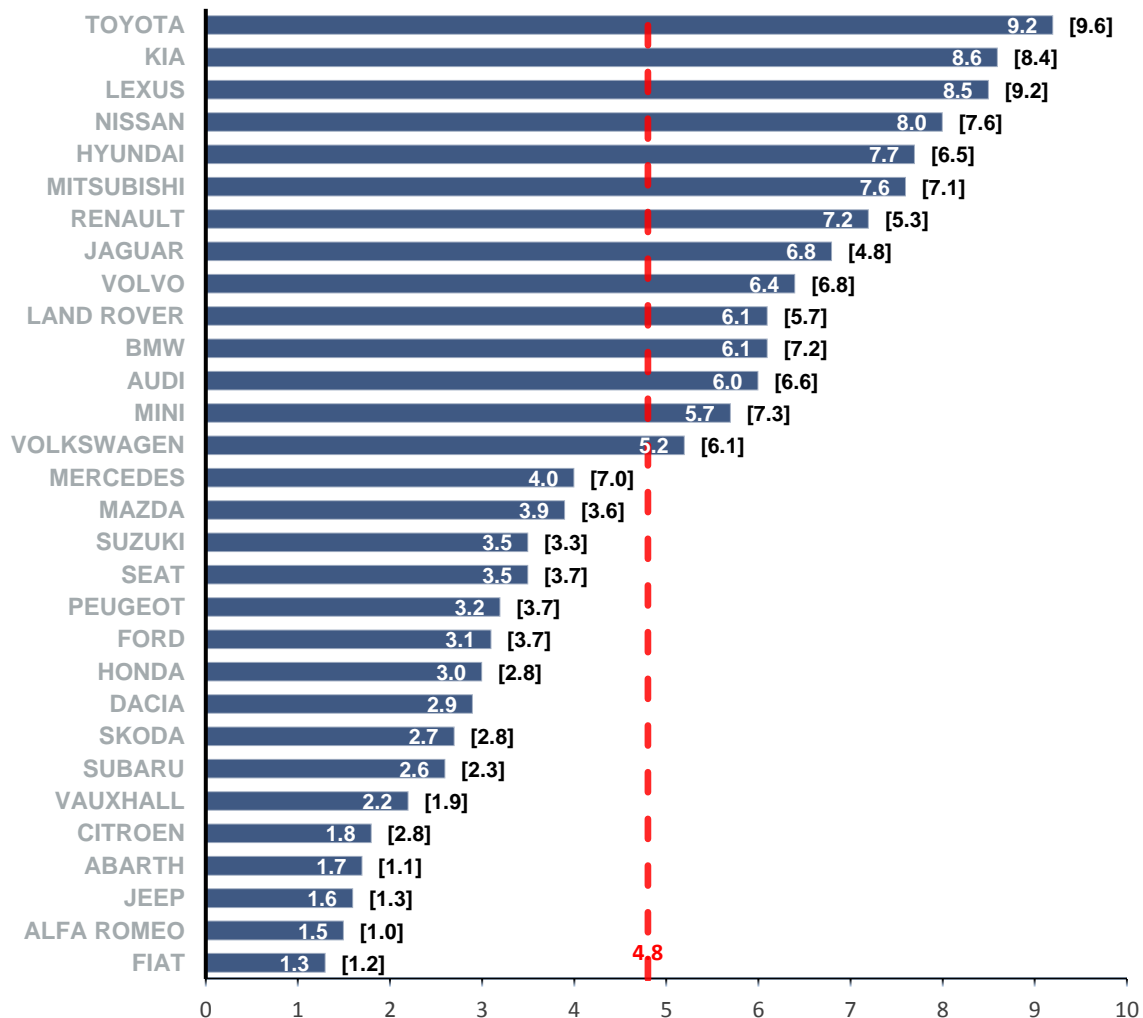
Average score: 6.1 points

Summary

In relation to manufacturers' used car programme, dealers showed similar levels of satisfaction to six months ago (6.1 v 6.0). The majority of the dealer networks surveyed (19) saw their score grow, eight experienced a decline and two did not change. Nearly three quarters of respondents (22, 73%) returned a score above 5.0.

Future directions

How satisfied are you with the alternative fuel vehicle offering?



Top performer: Toyota 9.2 points

Bottom performer: Fiat 1.3 points

Most improved: Jaguar +2.0 points

Biggest decline: Mercedes -3.0 points

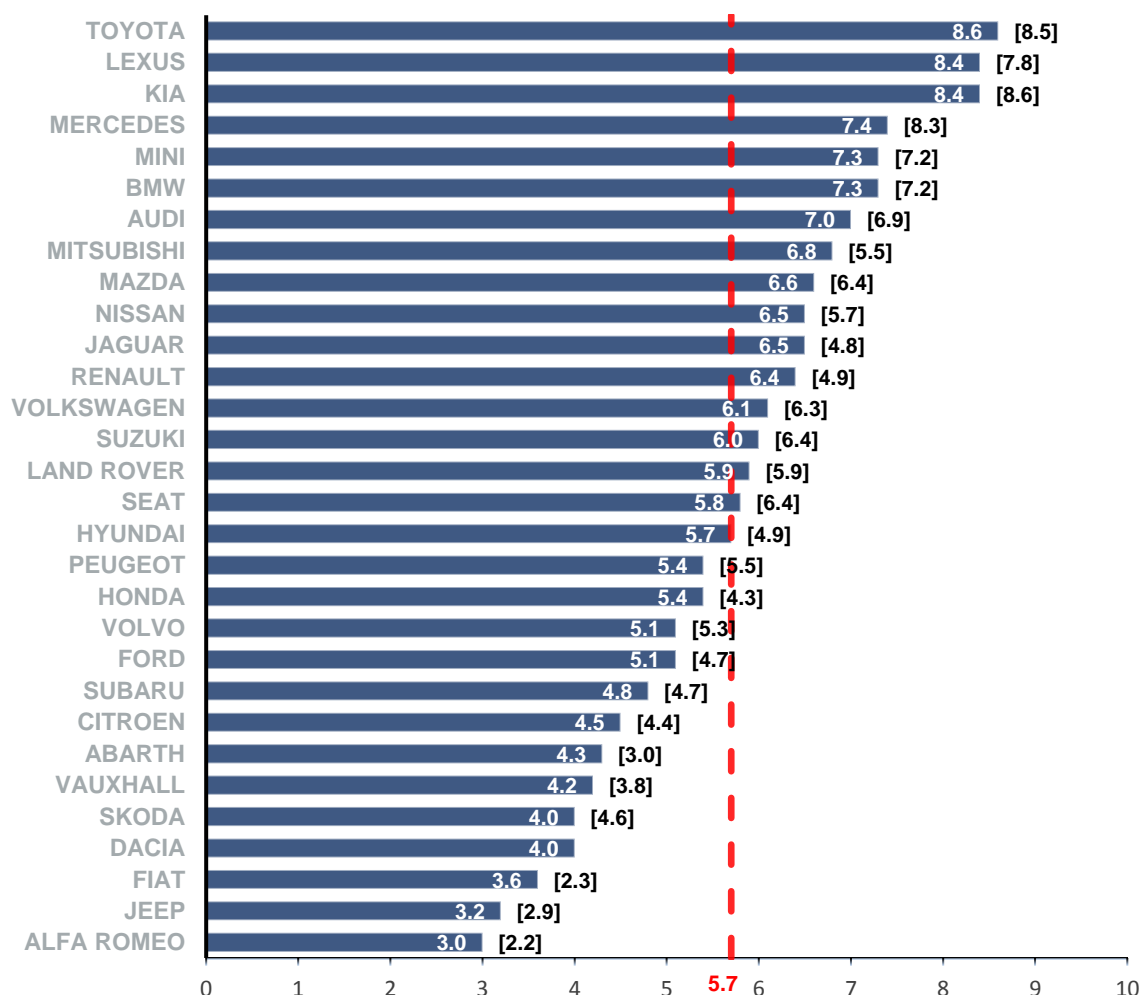
Average score: 4.8 points

Summary

The average dealers' satisfaction with alternative fuel vehicle offering grew only marginally by 0.1 but remains below 5.0. Out of all respondents, 16 saw an increase in score, while 13 went down. Less than half of respondents (14) gave a response above 5.0.

Future directions

How satisfied are you with your manufacturer's approach to future retailing channels?



Top performer: Toyota 8.6 points

Bottom performer: Alfa Romeo 3.0 points

Most improved: Jaguar +1.7 points

Biggest decline: Mercedes -0.9 points

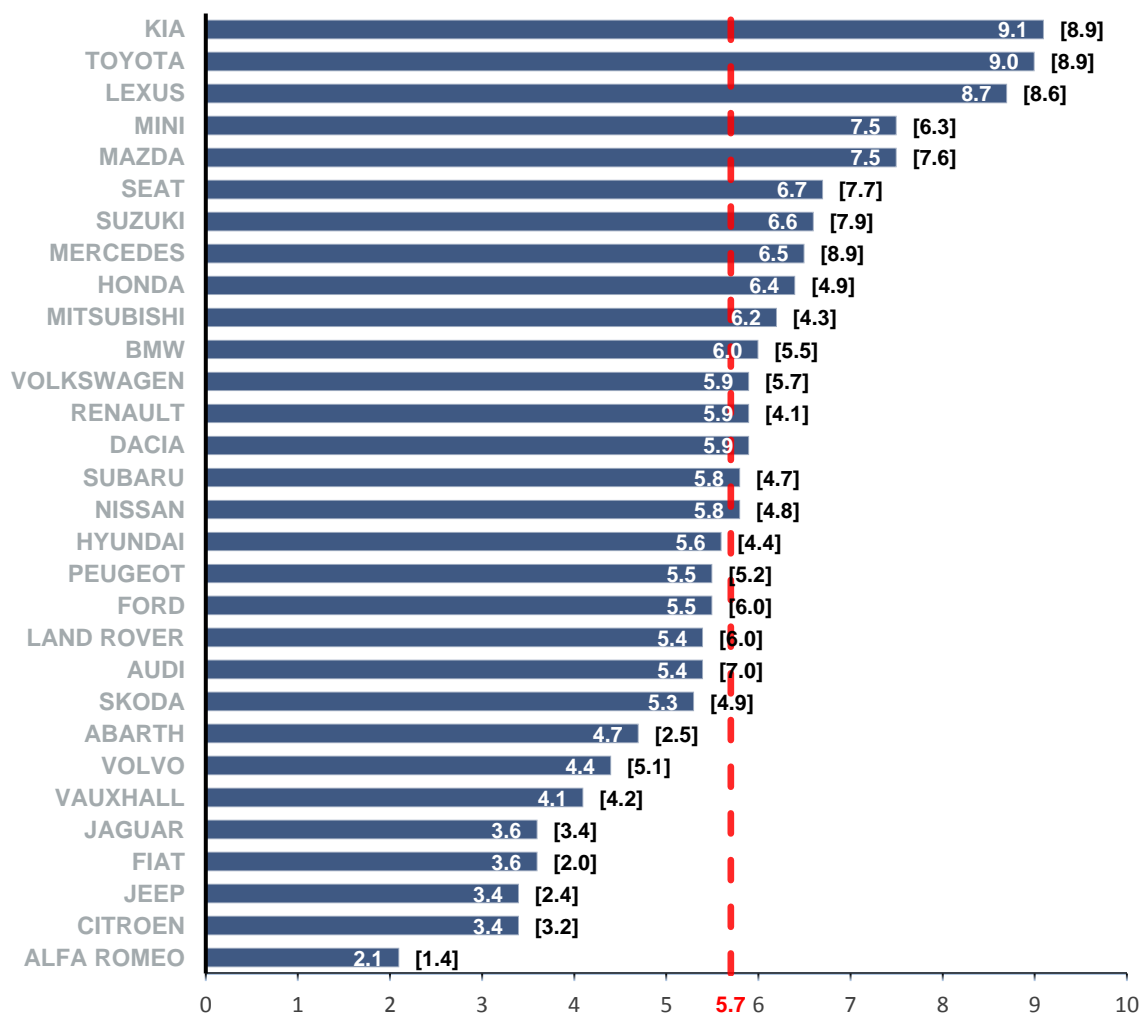
Average score: 5.7 points

Summary

The average score of 5.7 represents an increase of 0.3 points from the winter survey and shows that the dealers networks were slightly more satisfied than six months ago. Positively, 20 ratings increased, eight declined and one stayed the same. There were 21 responses above the neutral mark of 5.0.

Overall manufacturer scores

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



Top performer: Kia 9.1 points

Bottom performer: Alfa Romeo 2.1 points

Most improved: Abarth +2.2 points

Biggest decline: Mercedes -2.4 points

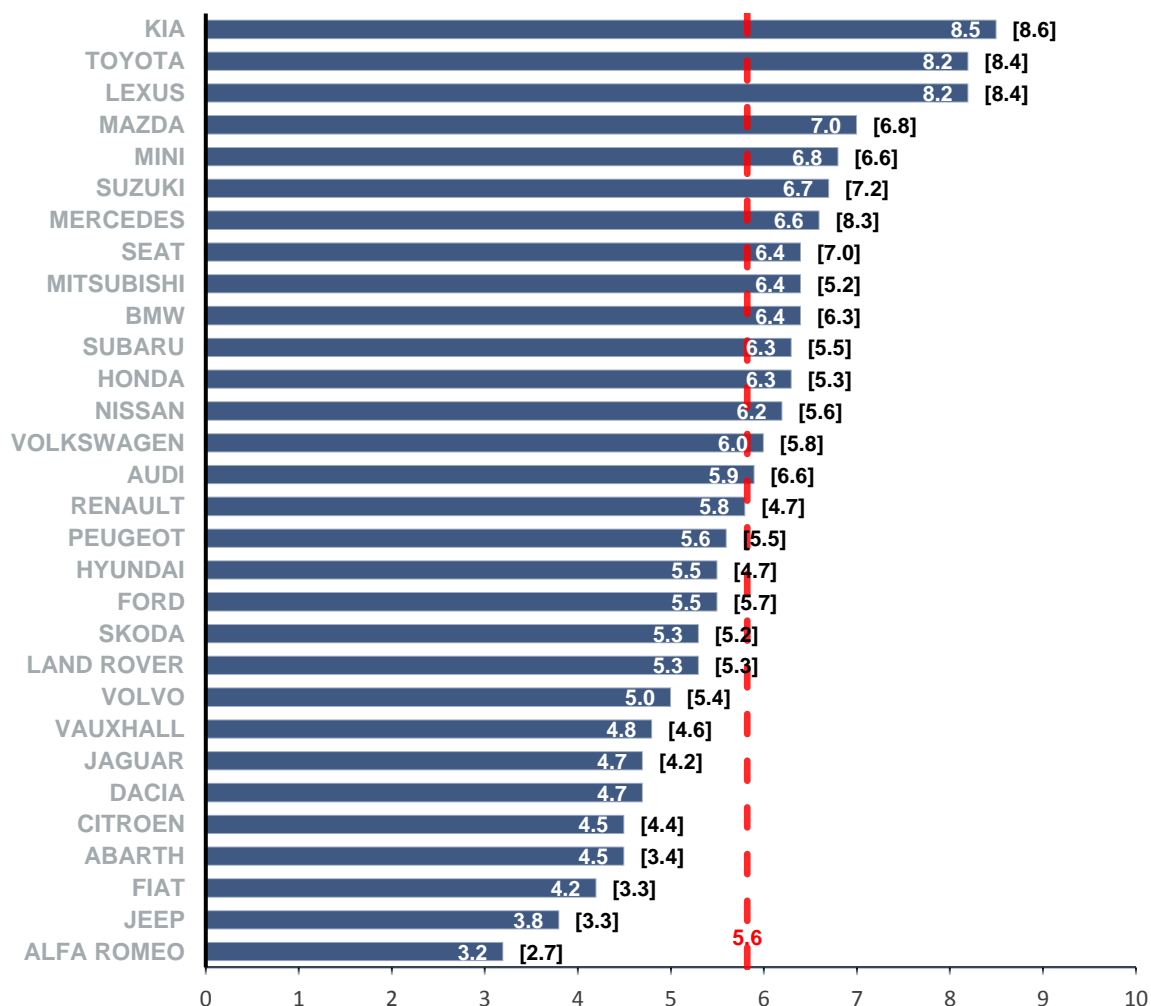
Average score: 5.7 points

Summary

The key question *how would you rate your manufacturer overall?* showed a significant increase of 0.4 points from last winter's average. Out of all participating dealer networks, 20 saw their score increase, while only nine went down. More than 70% of the responses (22) were above 5.0.

Overall manufacturer scores

Average score across all questions



Top performer: Kia 8.5 points

Bottom performer: Alfa Romeo 3.2 points

Most improved: Mitsubishi +1.2 points

Biggest decline: Mercedes -1.6 points

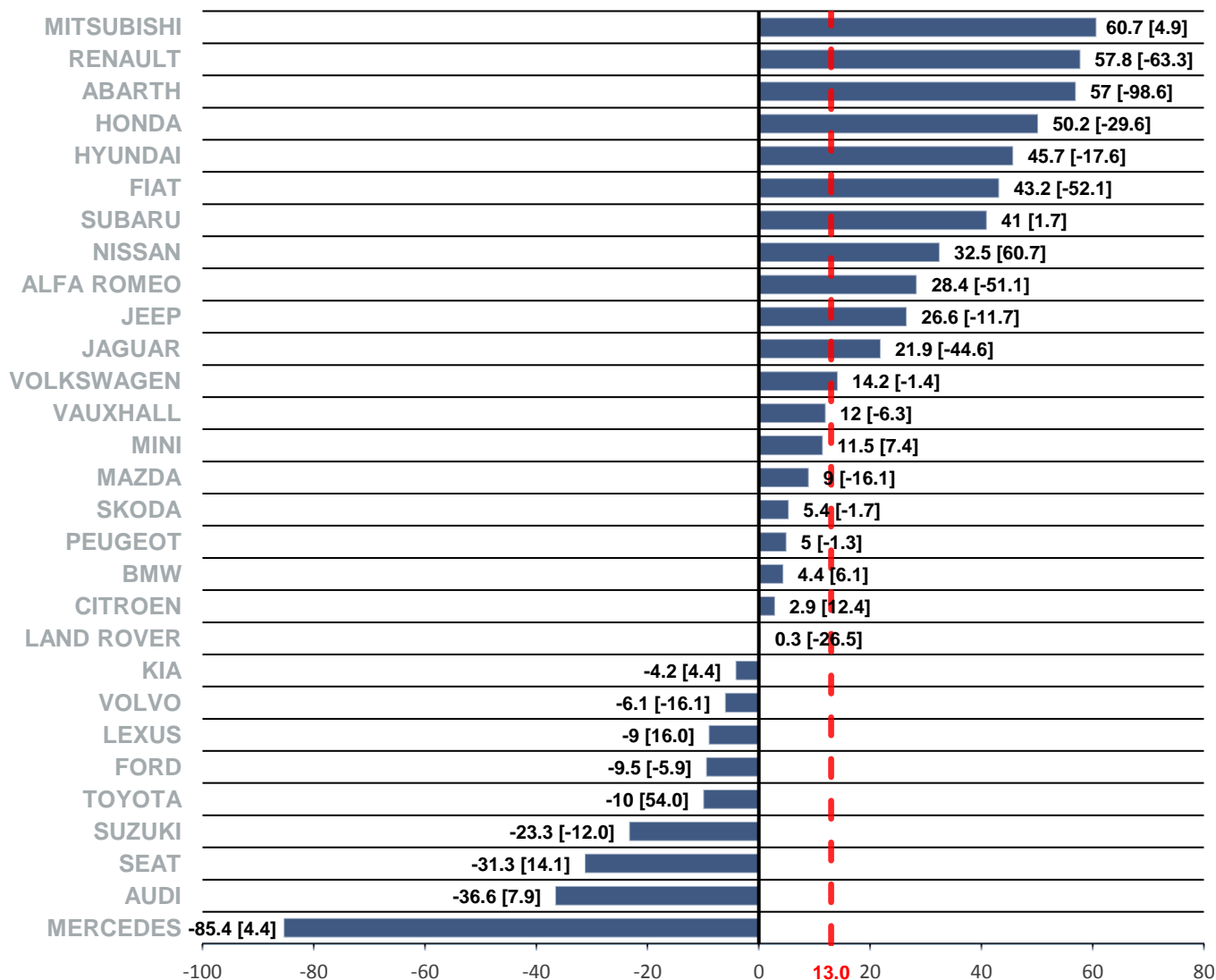
Average score: 5.6 points

Summary

The average score across all questions of the survey is a good indicator of the general satisfaction levels of the different networks. Across all questions, the average score did not change from six months ago. Compared to six months ago, 20 networks saw their score increase, while 9 decreased.

Overall manufacturer scores

Total movement across all questions



Most improved: Mitsubishi +60.7 points

Biggest decline: Mercedes -85.4 points

Average score: +13.0 points

Summary

The movement in score across all the questions of the survey gives an accurate insight into the general performance of each manufacturer in the past six months. On average, ratings went up by 13.0 points from six months ago. Out of all the respondents, 20 experienced a positive movement, while 9 saw a negative one.



201 Great Portland Street, London, W1W 5AB
Tel: 020 7580 9122 nfda@rmif.co.uk
www.nfda-uk.co.uk

