



# NFDA

NATIONAL FRANCHISED DEALERS ASSOCIATION



# Dealer Attitude Survey

Summer 2019

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## Introduction

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Dear Colleague,

### Welcome to the NFDA Dealer Attitude Survey Summer 2019

Thirty years after the publication of the first edition of the NFDA Dealer Attitude Survey in 1989, we are pleased to present the findings of the summer 2019 survey. The survey has evolved over the years continuing to monitor the health of the relationship between franchised dealers and their respective manufacturers.

The National Franchised Dealers Association (NFDA), which represents franchised car and commercial vehicle retailers in the UK, carries out the Dealer Attitude Survey twice a year. We investigate and analyse the results to highlight any issues affecting our members.

This survey was conducted in July 2019 and asked franchised dealers a number of questions about their on-going relationship with their respective manufacturers. The questions cover a range of business aspects and their impact on dealers' satisfaction levels with the relationship with their manufacturers. Responses are scored from 1 (extremely dissatisfied) to 10 (extremely satisfied). NFDA surveyed 30 franchise networks and received 2,055 responses from dealers, equating to a record 49% response rate.

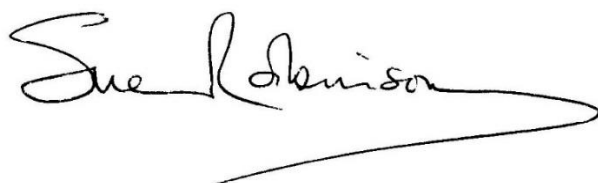
In this issue, there was a total movement in score of -5.7 points across all the questions of the survey. The overall average score saw a minor decline of 0.1 points demonstrating that dealers' satisfaction levels with the key aspects of the relationship with their manufacturers are stable.

Despite experiencing small declines, questions about total margin on used car sales and used car programmes had two of the highest average ratings of the survey. We also continued to see a gradual increase in dealers' satisfaction with their manufacturers' alternative fuel vehicle offering. However, the average score remains relatively low. Key areas of concern for dealers continue to be current profit return and return on capital.

This report is a summary of the results of the Dealer Attitude Survey Summer 2019. It includes charts and analysis of the main questions to give an exhaustive overview of the findings. A full version of the report is available on request.

### **Sue Robinson**

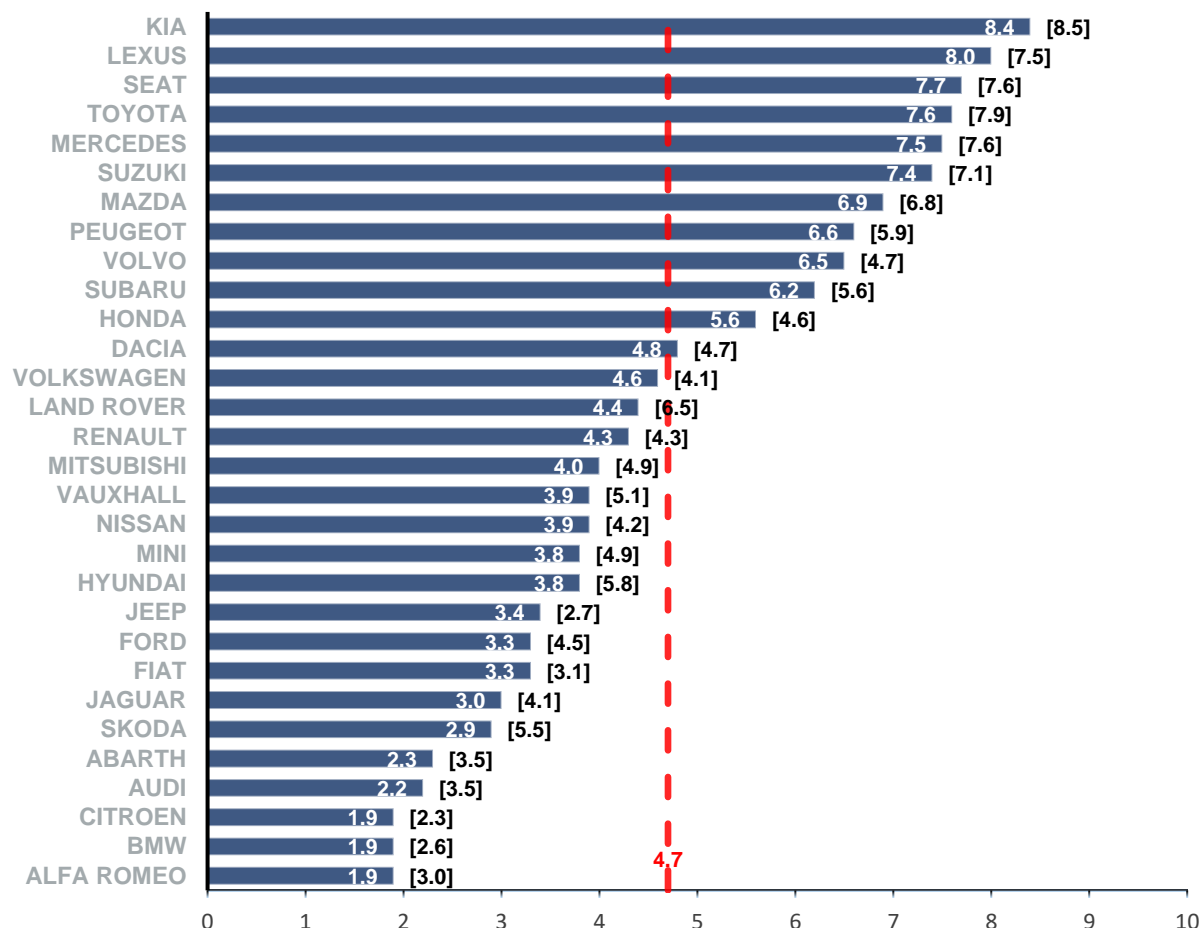
Director, National Franchised Dealers Association



The survey was analysed by the National Franchised Dealers Association (NFDA). For more information, please email [nfda@rmif.co.uk](mailto:nfda@rmif.co.uk) or visit [www.nfda-uk.co.uk](http://www.nfda-uk.co.uk)

## Profit return

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



Figures in white = Summer 2019  
 Figures in black = Winter 2018/2019

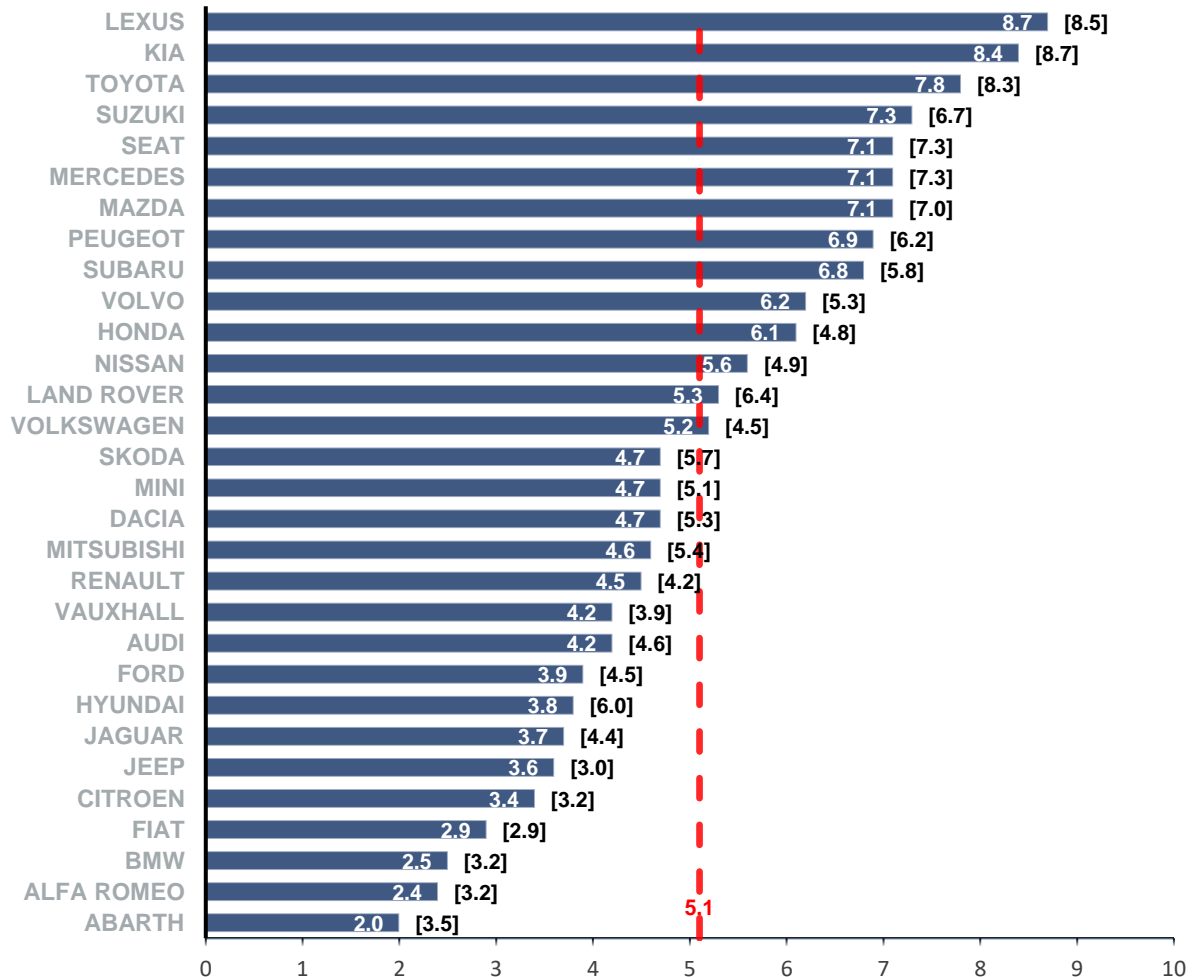
<b>Biggest improvement:</b>	Volvo	+1.8 points
<b>Largest decline:</b>	Skoda	-2.6 points
<b>Average score:</b>		4.7 points
<b>Previous average:</b>		5.0 points

### Summary

The average dealers' satisfaction with their current profit return declined by 0.3 points compared to the previous survey six months ago and, with 4.7 points, this is one of the lowest average scores of the survey. There were 11 responses above 5.0, only 12 dealer networks saw their levels of satisfaction increase, while 17 declined, and 1 did not change.

## Profit return

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



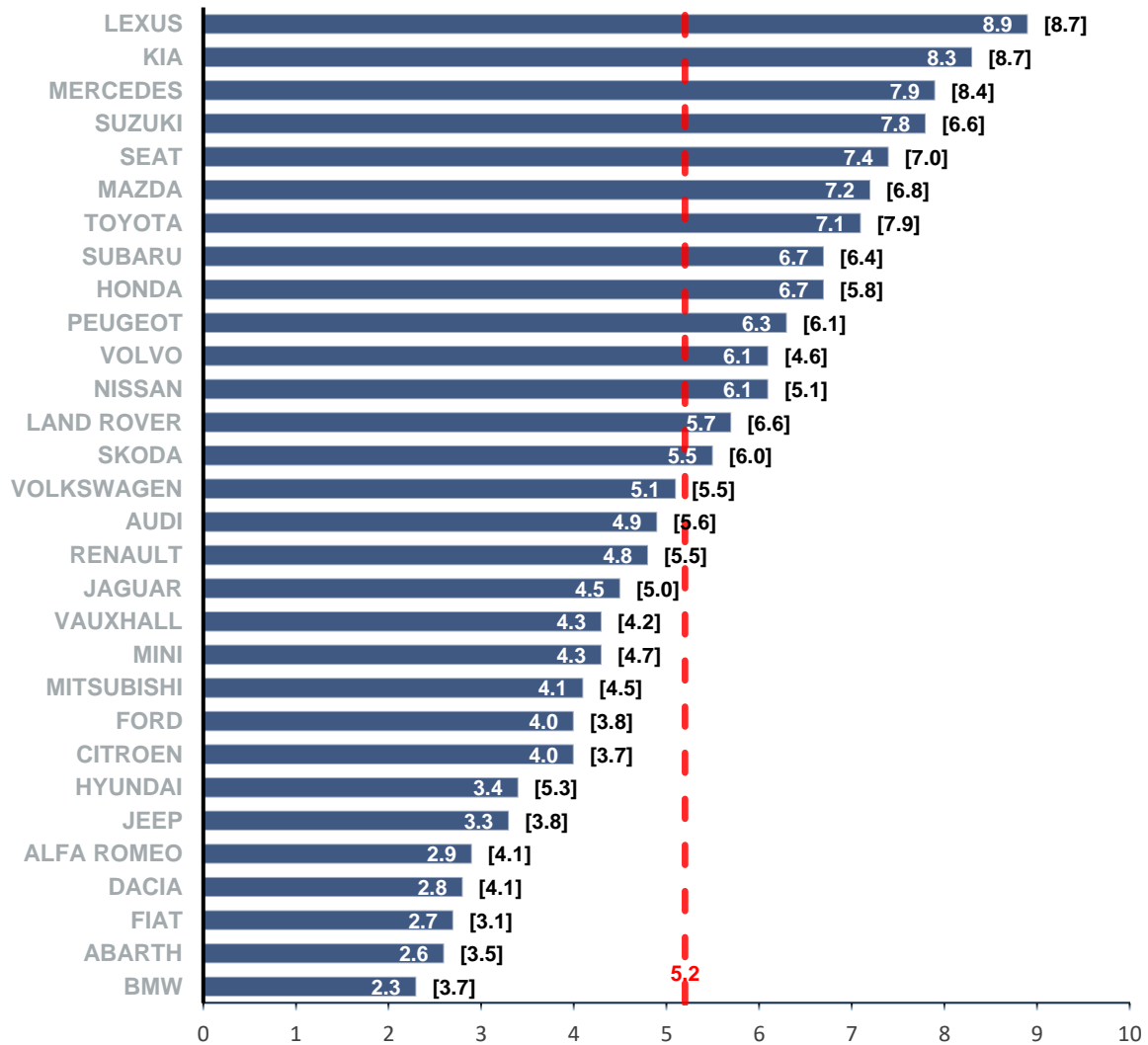
<b>Biggest improvement:</b>	Honda	+1.3 points
<b>Largest decline:</b>	Hyundai	-2.2 points
<b>Average score:</b>		5.1 points
<b>Previous average:</b>		5.3 points

### Summary

Dealers continued to be more optimistic about their future profit return than their current one with an average score of 5.1 points, down by 0.2 points from six months ago and 0.3 from the same time last year. Compared with six months ago, 13 scores improved, 16 decreased, and 1 did not change. Nearly half of the scores were higher than 5.0 points (14, 47%).

## Profit return

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



<b>Biggest improvement:</b>	Volvo	+1.5 points
<b>Largest decline:</b>	Hyundai	-1.9 points
<b>Average score:</b>		5.2 points
<b>Previous average:</b>		5.4 points

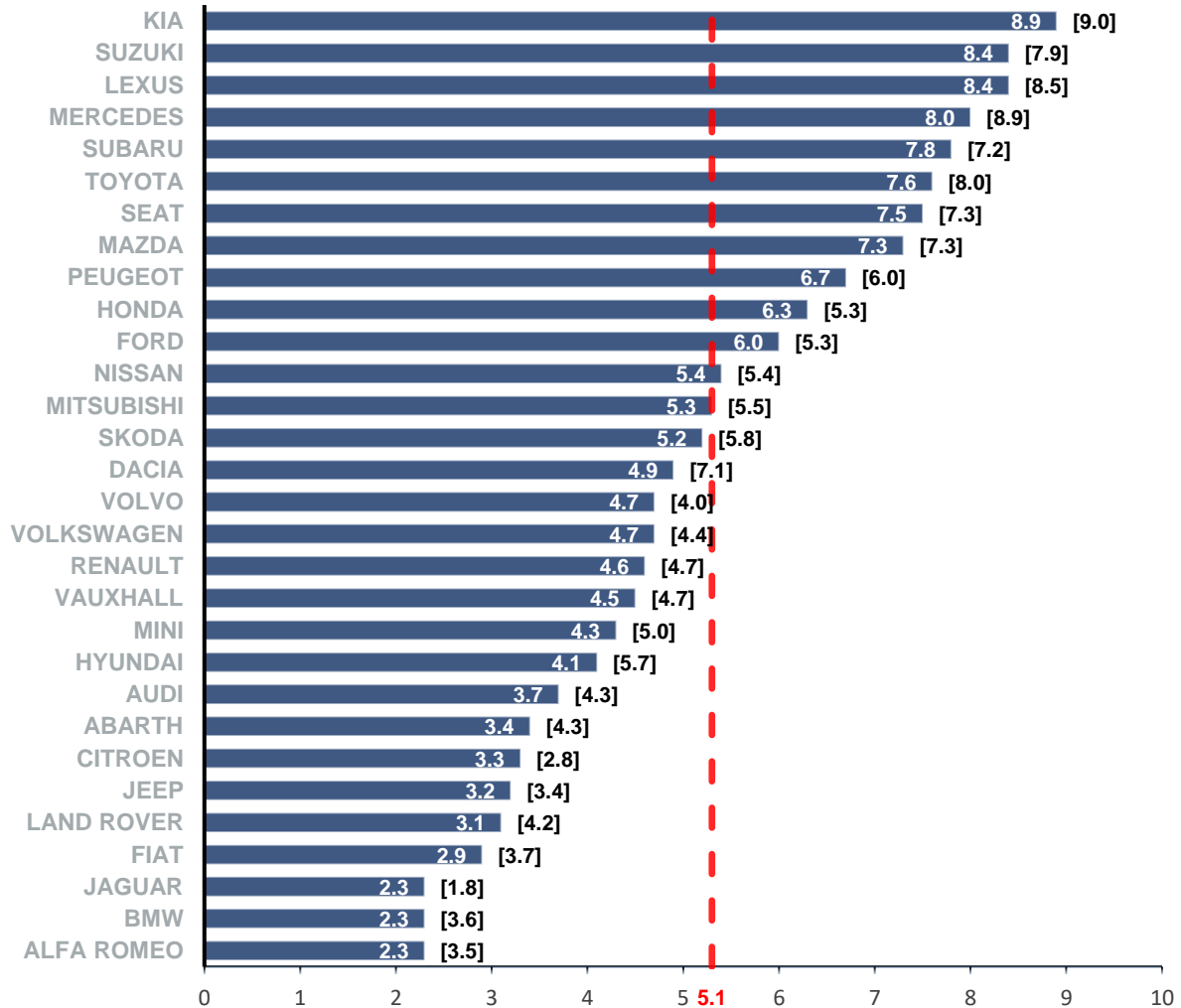
### Summary

The average dealers' satisfaction with total margin on new vehicles went down from six months ago, back to the levels of last year. Exactly half of the scores were above 5.0, nearly two thirds of respondents saw a decline in score (18; 60%), while less than half had an improvement (12; 40%).



## Return on investment

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



**Biggest improvement:** Honda +1.0 points

**Largest decline:** Dacia -2.2 points

**Average score:** 5.1 points

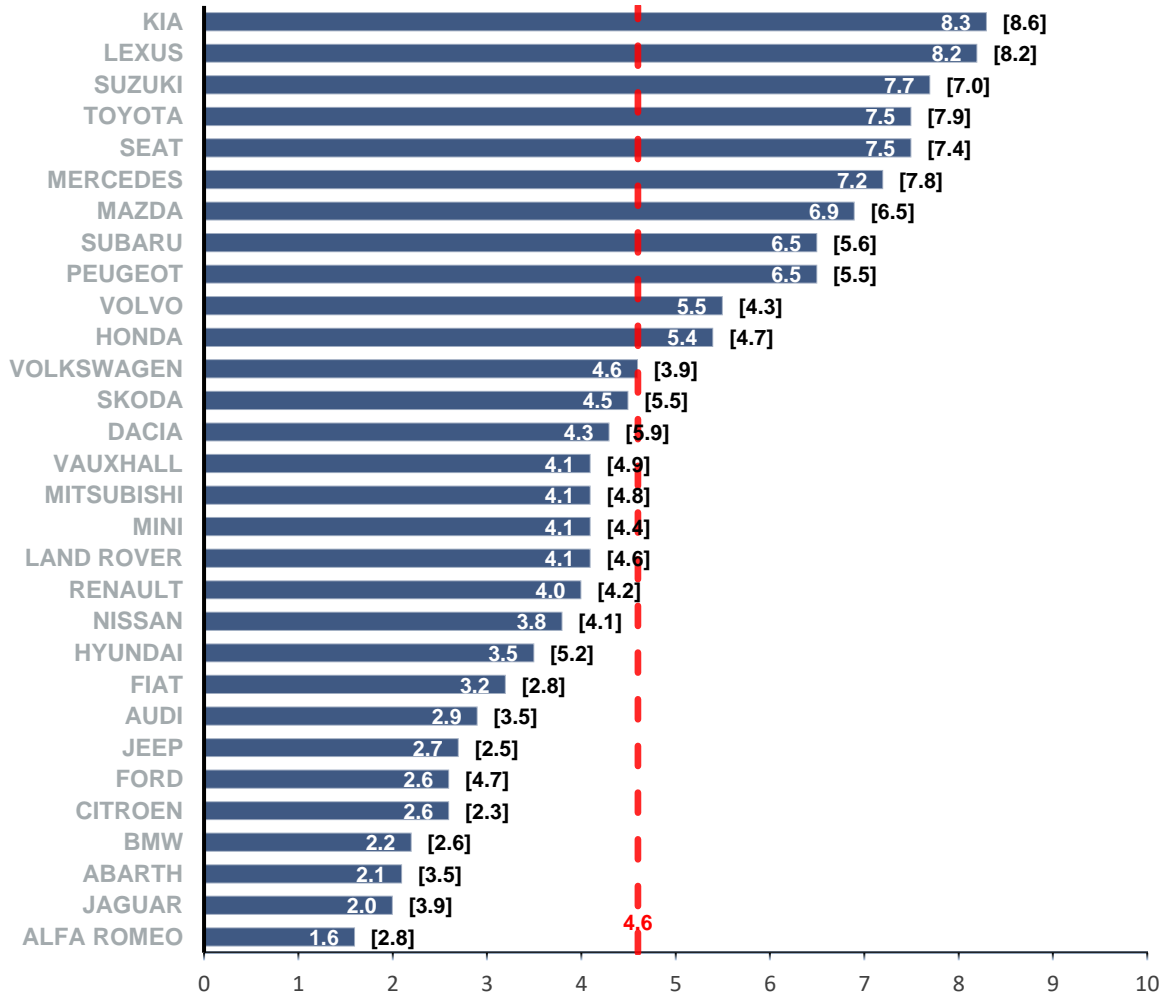
**Previous average:** 5.3 points

### Summary

The average dealers' satisfaction levels with the required level of capital investment saw a decline of 0.2 points from the winter survey. Out of all the surveyed dealer networks, only a third of them saw their score improve (10; 33%), 18 ratings declined, and 2 did not change. Almost half of the ratings were above 5.0 (14; 47%).

## Return on investment

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



<b>Biggest improvement:</b>	Volvo	+1.2 points
<b>Largest decline:</b>	Ford	-2.1 points
<b>Average score:</b>		4.6 points
<b>Previous average:</b>		4.9 points

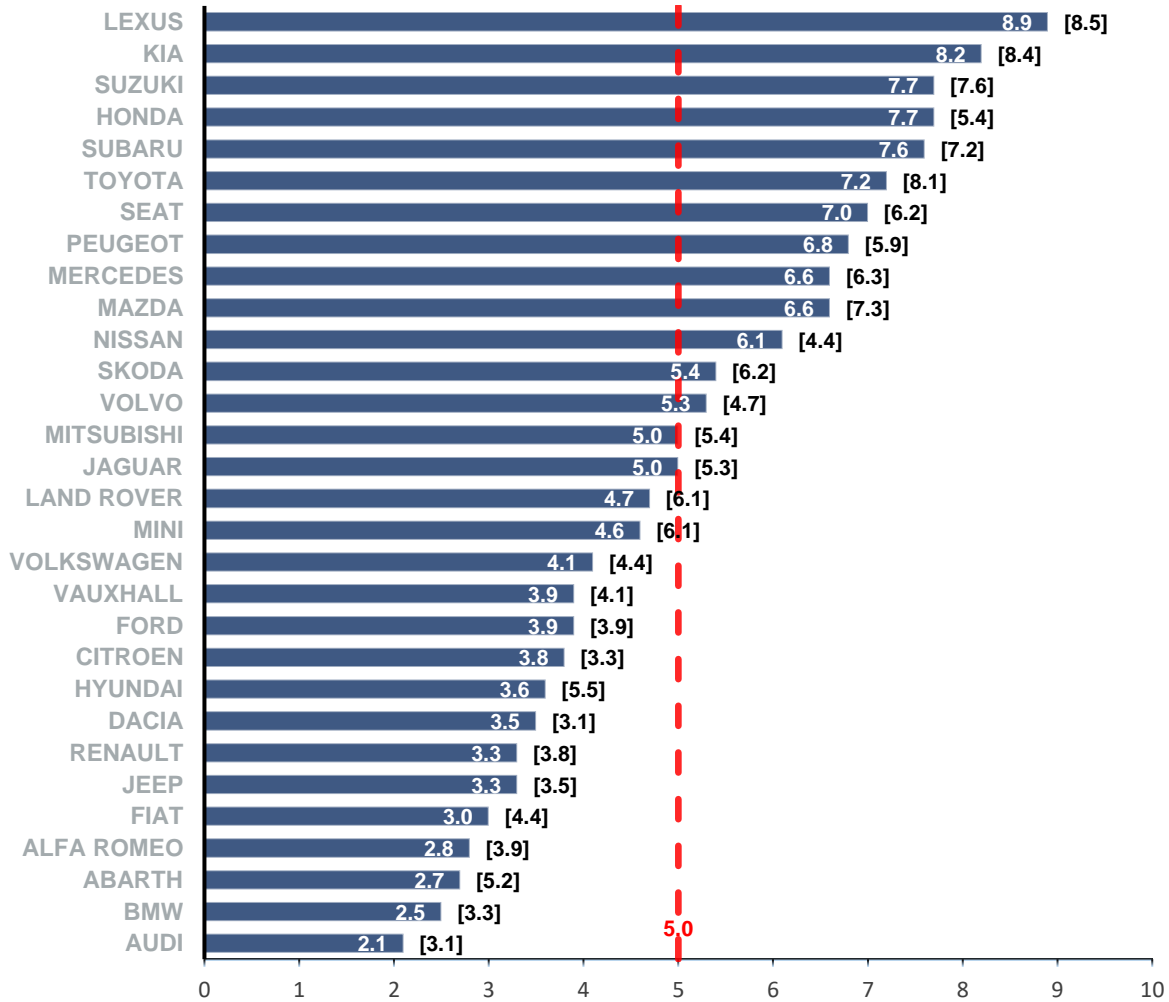
### Summary

The average dealers' satisfaction levels with the return on capital for their dealership declined by 0.3 points from six months ago and 0.2 points from last year. In this issue of the survey, 11 scores improved, 18 decreased, and one did not change. Slightly more than a third of the respondents gave a score above 5.0 (11; 37%).



## Targets

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



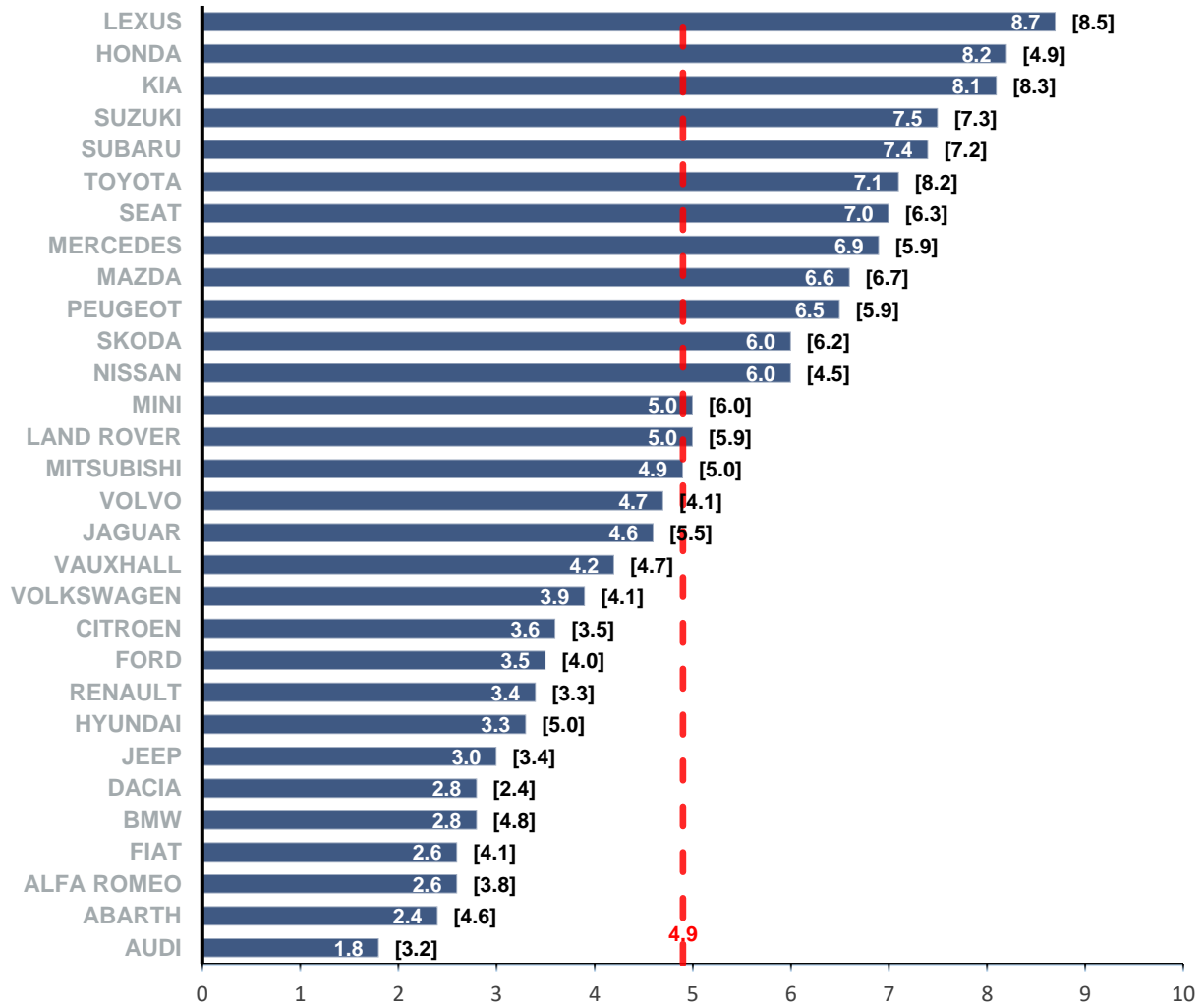
<b>Biggest improvement:</b>	Honda	+2.3 points
<b>Largest decline:</b>	Abarth	-2.5 points
<b>Average score:</b>		5.0 points
<b>Previous average:</b>		5.2 points

### Summary

The average dealers' satisfaction levels with their manufacturers' target aspirations declined by 0.2 points from six months ago, but remain higher than last year by 0.2 points. More than half of the dealer networks surveyed saw their score decline (18; 60%), 11 increased, and 1 remained the same. There were 13 ratings above 5.0.

## Targets

How satisfied are you with your new car targeting process?



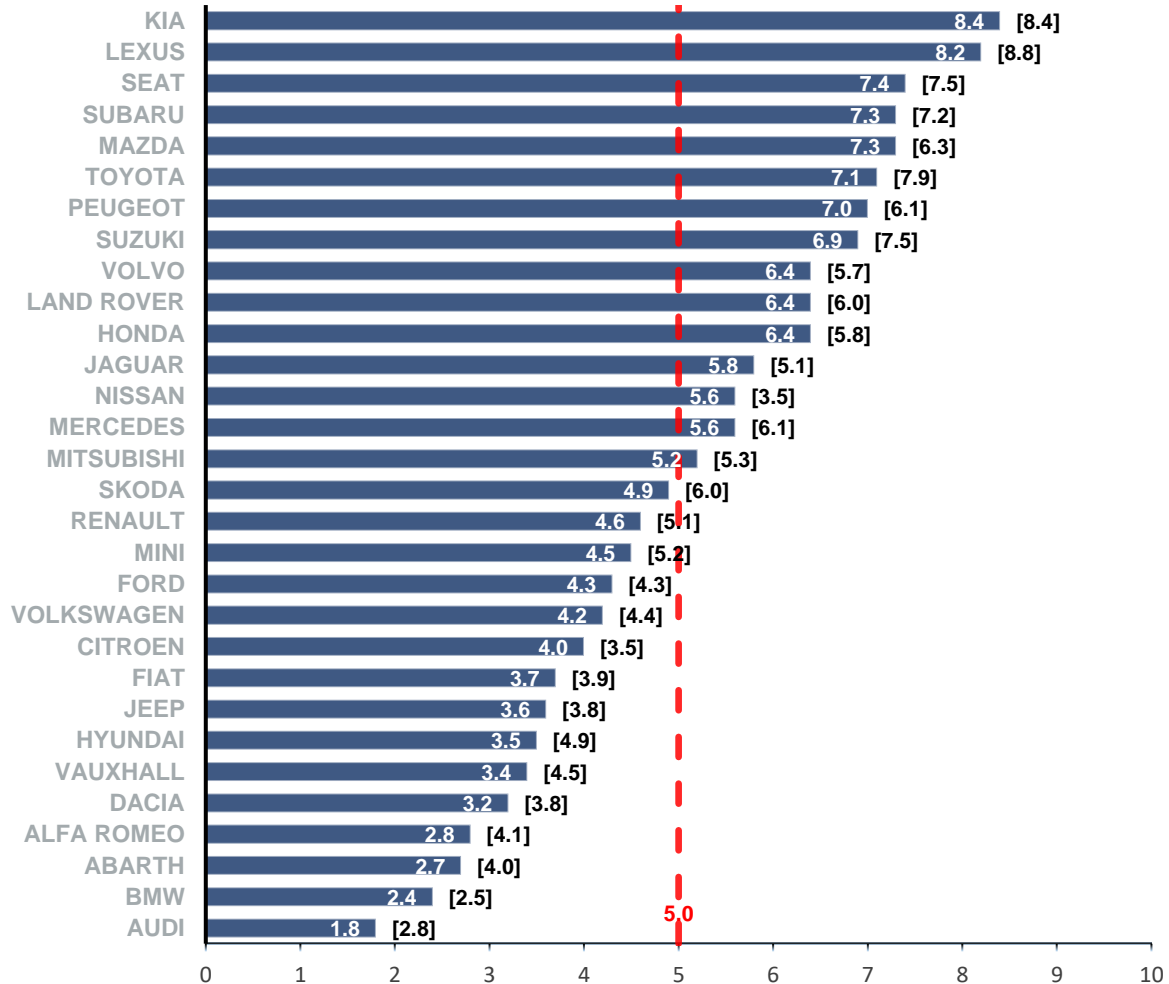
<b>Biggest improvement:</b>	Honda	+3.3 points
<b>Largest decline:</b>	Abarth	-2.2 points
<b>Average score:</b>		4.9 points
<b>Previous average:</b>		5.1 points

### Summary

The average dealers’ satisfaction with their new car targeting process declined by 0.2 points from six months ago but remain higher than last summer’s 4.7 average score. Nearly two thirds of manufacturers had a score which was lower than the previous survey (18; 60%), while only 12 were higher. Less than half of the ratings were above 5.0 points (12; 40%).

## Self-registrations

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



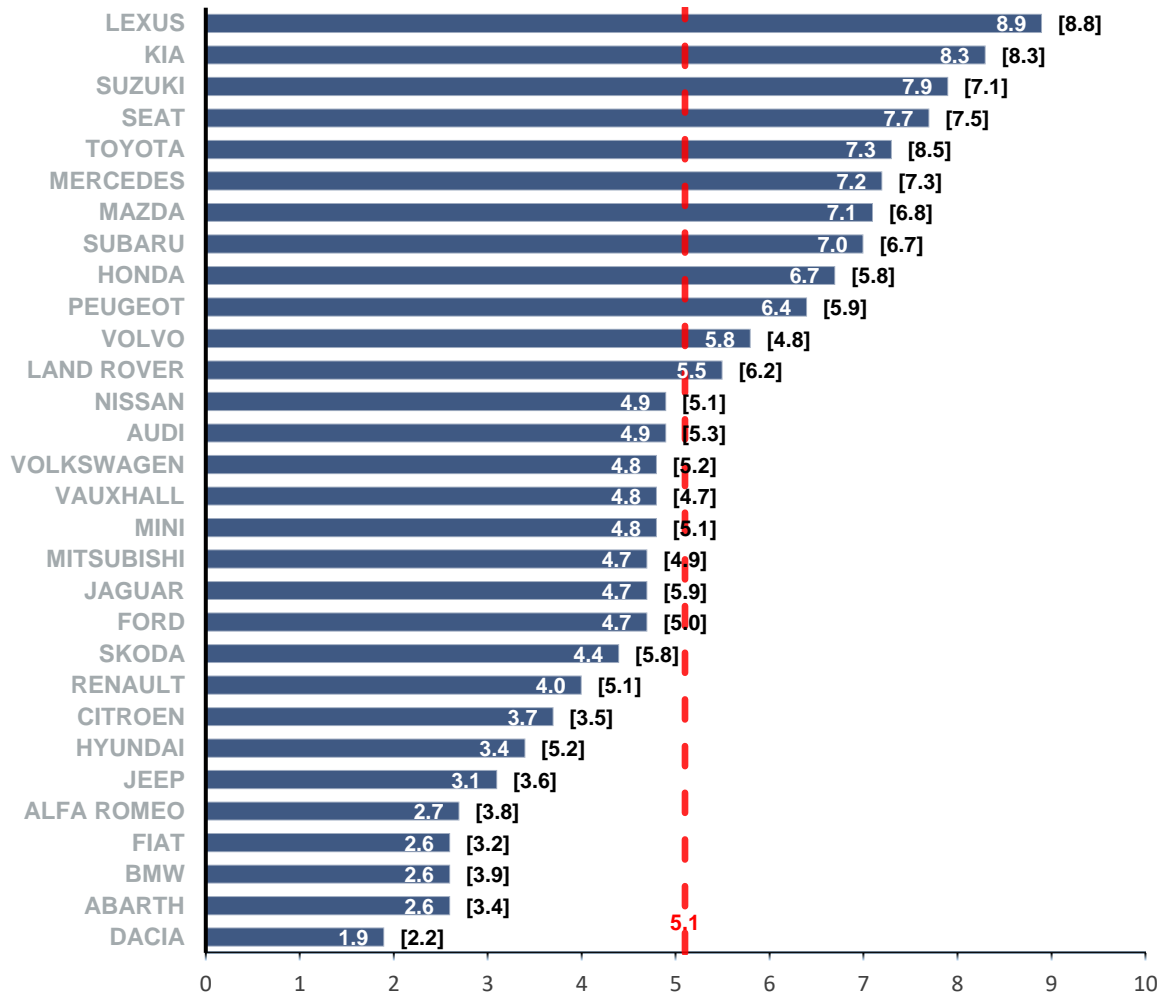
<b>Biggest improvement:</b>	Nissan	+2.1 points
<b>Largest decline:</b>	Hyundai	-1.4 points
<b>Average score:</b>		5.0 points
<b>Previous average:</b>		5.2 points

### Summary

The average dealers’ satisfaction with manufacturers’ inducement to self-register vehicles saw a decrease of 0.2 points from six months ago and 0.1 points from last year. Less than a third of the dealer networks surveyed saw their score grow (9; 30%), 19 gave a lower rating than six months ago, and 2 remained the same. Exactly half of the responses were higher than 5.0.

## Incentives

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



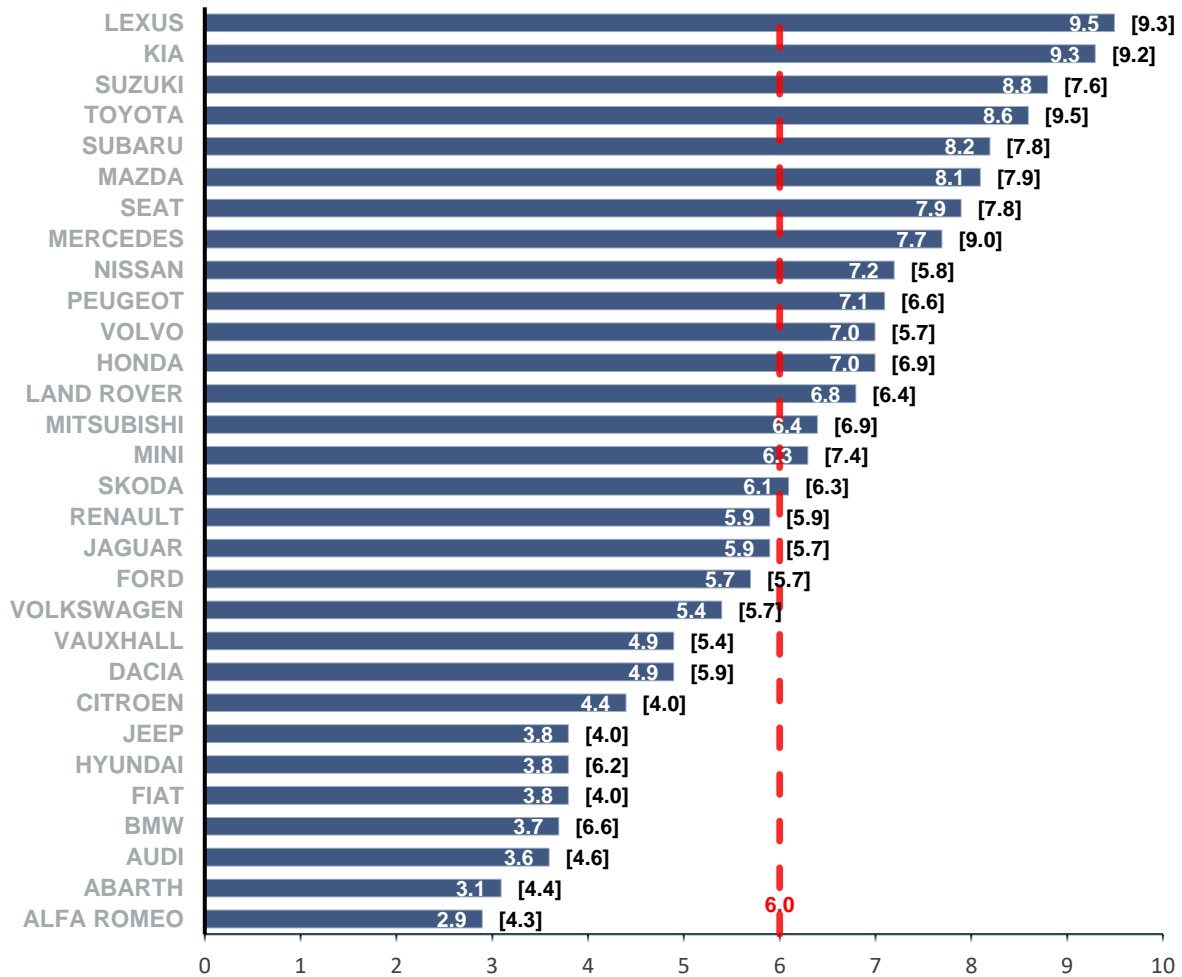
<b>Biggest improvement:</b>	Volvo	+1.0 points
<b>Largest decline:</b>	Hyundai	-1.8 points
<b>Average score:</b>		5.1 points
<b>Previous average:</b>		5.4 points

### Summary

Following a significant increase from the winter 2017/2018 survey when the average score was 4.9, dealers' satisfaction levels decreased by 0.3 points from six months ago. Overall, a third of manufacturers saw their score grow, whilst the majority experienced a decline (19; 63%), and 1 remained constant. A total of 12 ratings were above 5.0 points (40%).

## Day-to-day working relationship

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



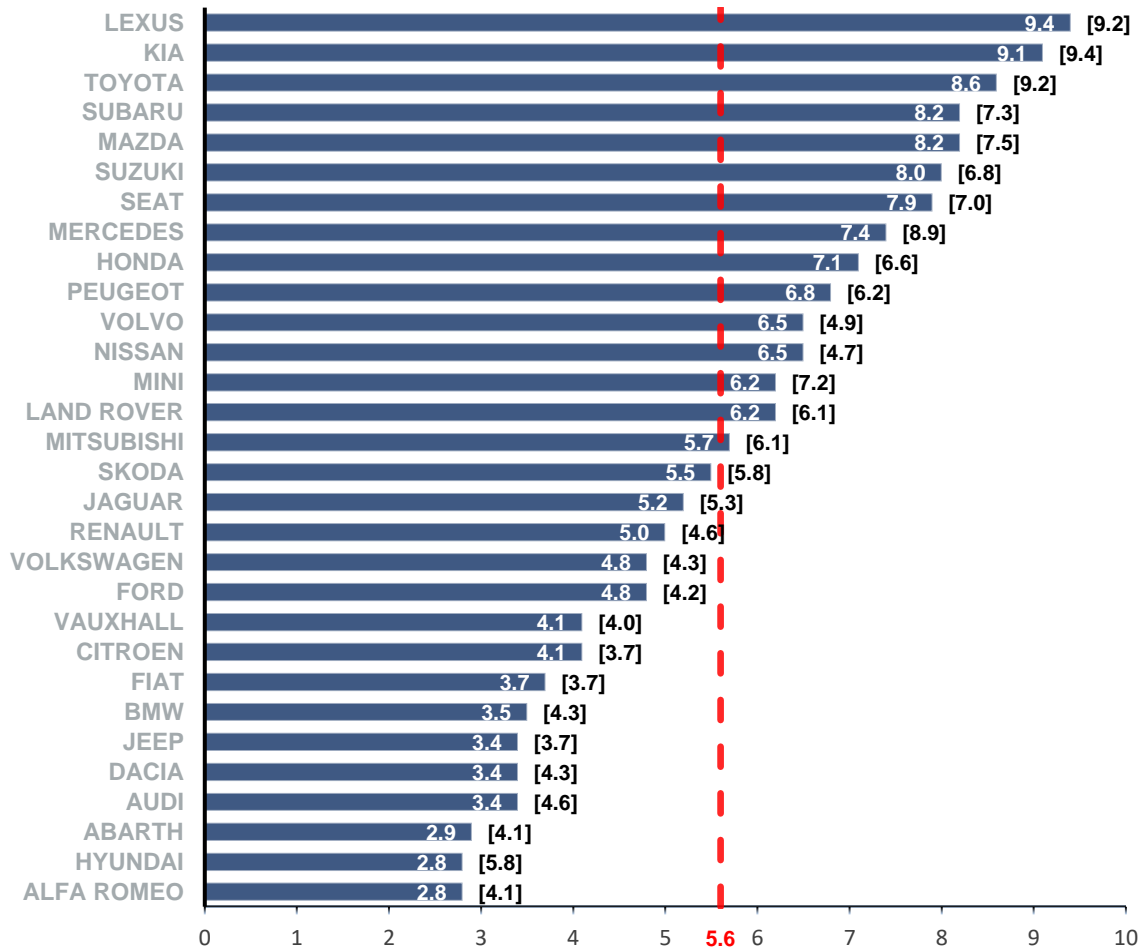
<b>Biggest improvement:</b>	Nissan	+1.4 points
<b>Largest decline:</b>	BMW	-2.9 points
<b>Average score:</b>		6.0 points
<b>Previous average:</b>		6.2 points

### Summary

The ability to do business on a day-to-day basis is a key aspect of the dealer/manufacturer relationship and one of the most important questions of the survey. The average score declined by -0.2 points from six months ago. Almost half of the dealer networks gave a score higher than six months ago (13; 43%), 15, 50%, had the same rating, and 2 did not change. The majority of the manufacturers had scores above 5.0 (20; 67%).

## Day-to-day working relationship

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



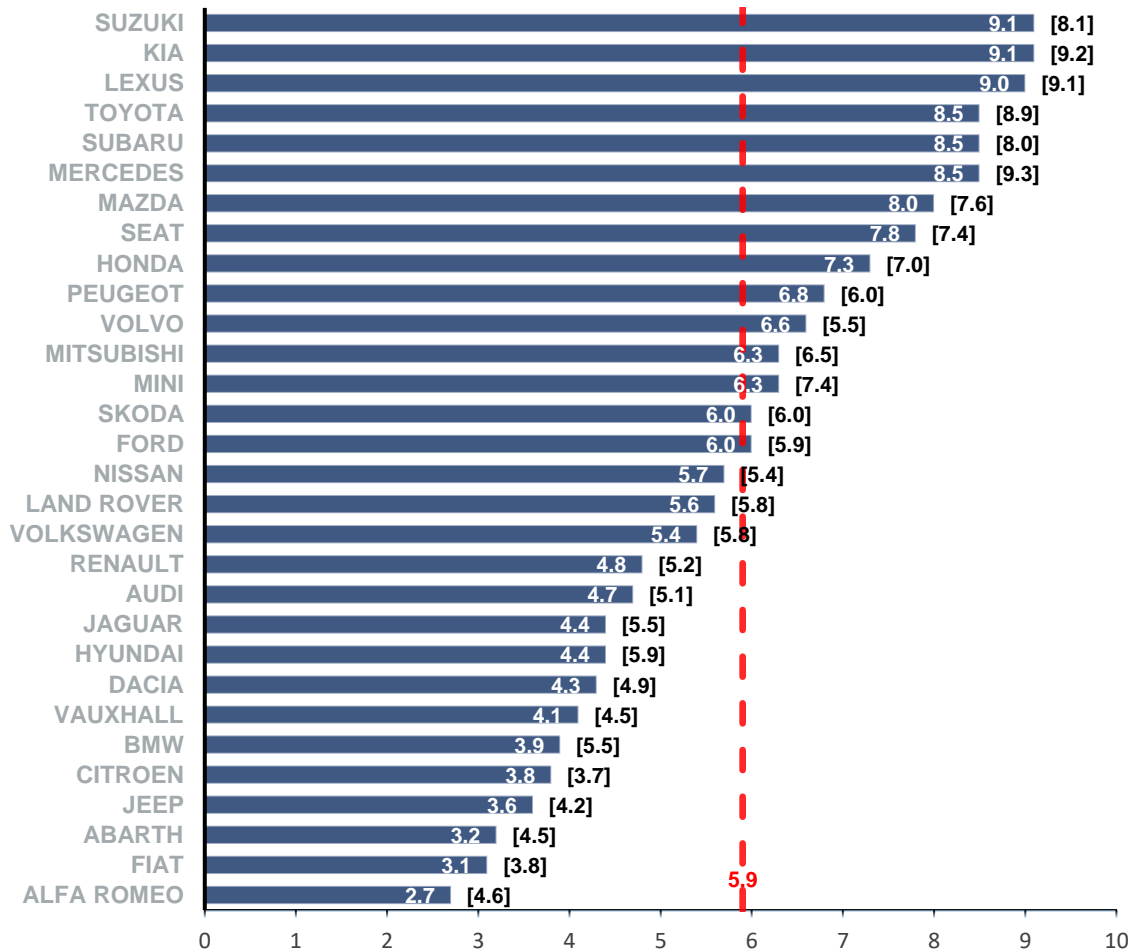
<b>Biggest improvement:</b>	Nissan	+1.8 points
<b>Largest decline:</b>	Hyundai	-3.0 points
<b>Average score:</b>		5.6 points
<b>Previous average:</b>		5.5 points

### Summary

Dealers are slightly more positive about their manufacturers regard for the networks' views and opinion as shown by the average score of 5.6, which 0.1 points higher than six months ago. Half of the manufacturers improved, 14 had lower ratings, and 1 did not change. More than half of the respondents had a score above 5.0 (17; 57%).

## Standards and performance measures

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



<b>Biggest improvement:</b>	Suzuki	+1.0 points
<b>Largest decline:</b>	Alfa Romeo	-1.9 points
<b>Average score:</b>		5.9 points
<b>Previous average:</b>		6.0 points

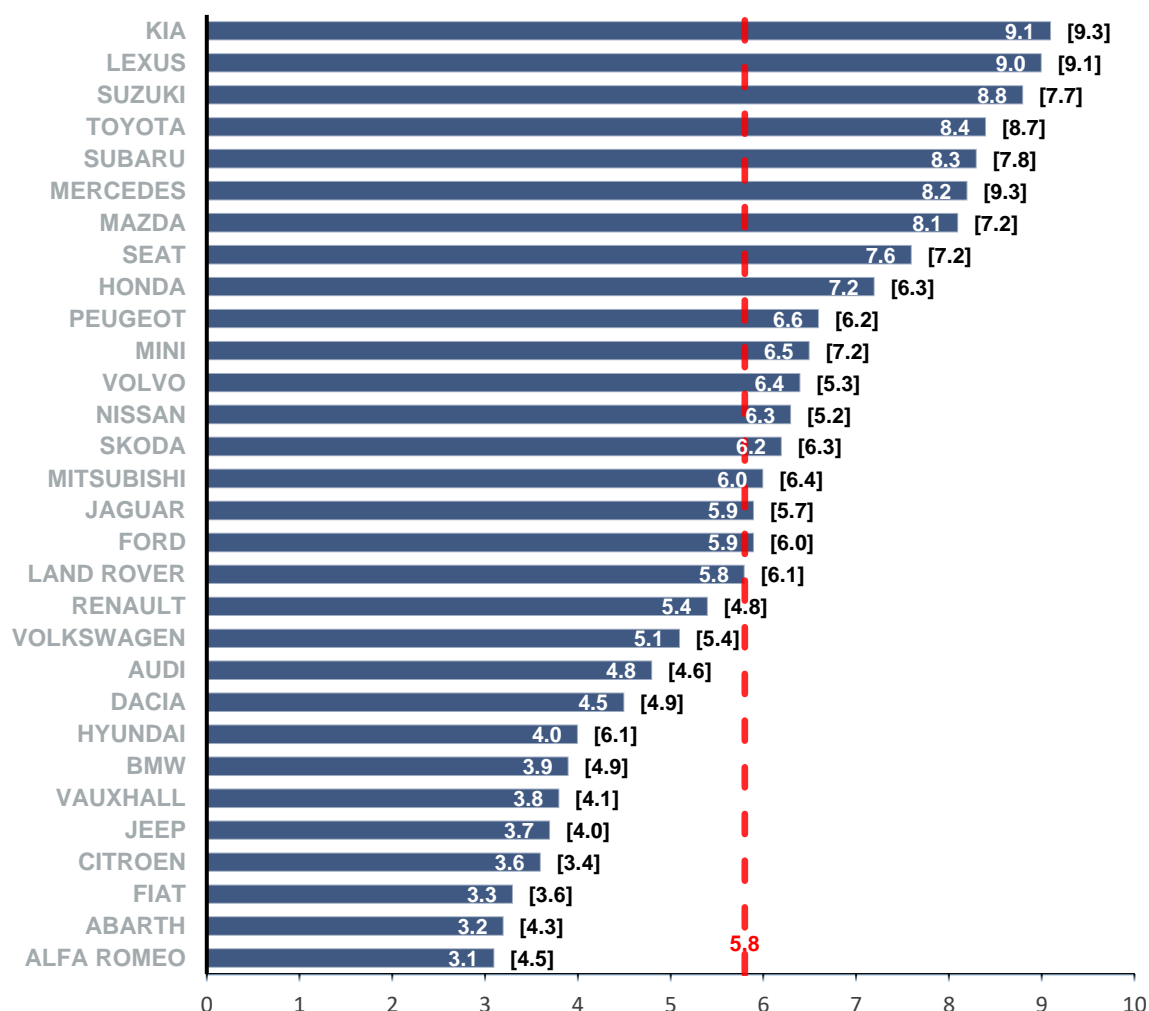
### Summary

The average score about dealers’ satisfaction with manufacturers’ standards saw a minor decrease by 0.1 points. A third of manufacturers had higher ratings (10; 33%), 19 scores were lower, and 1 remained the same. There were 18 ratings, 60% of the total, above 5.0 points.



## 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:** Volvo, Nissan and Suzuki +1.1 points

**Largest decline:** Hyundai -2.1 points

**Average score:** 5.8 points

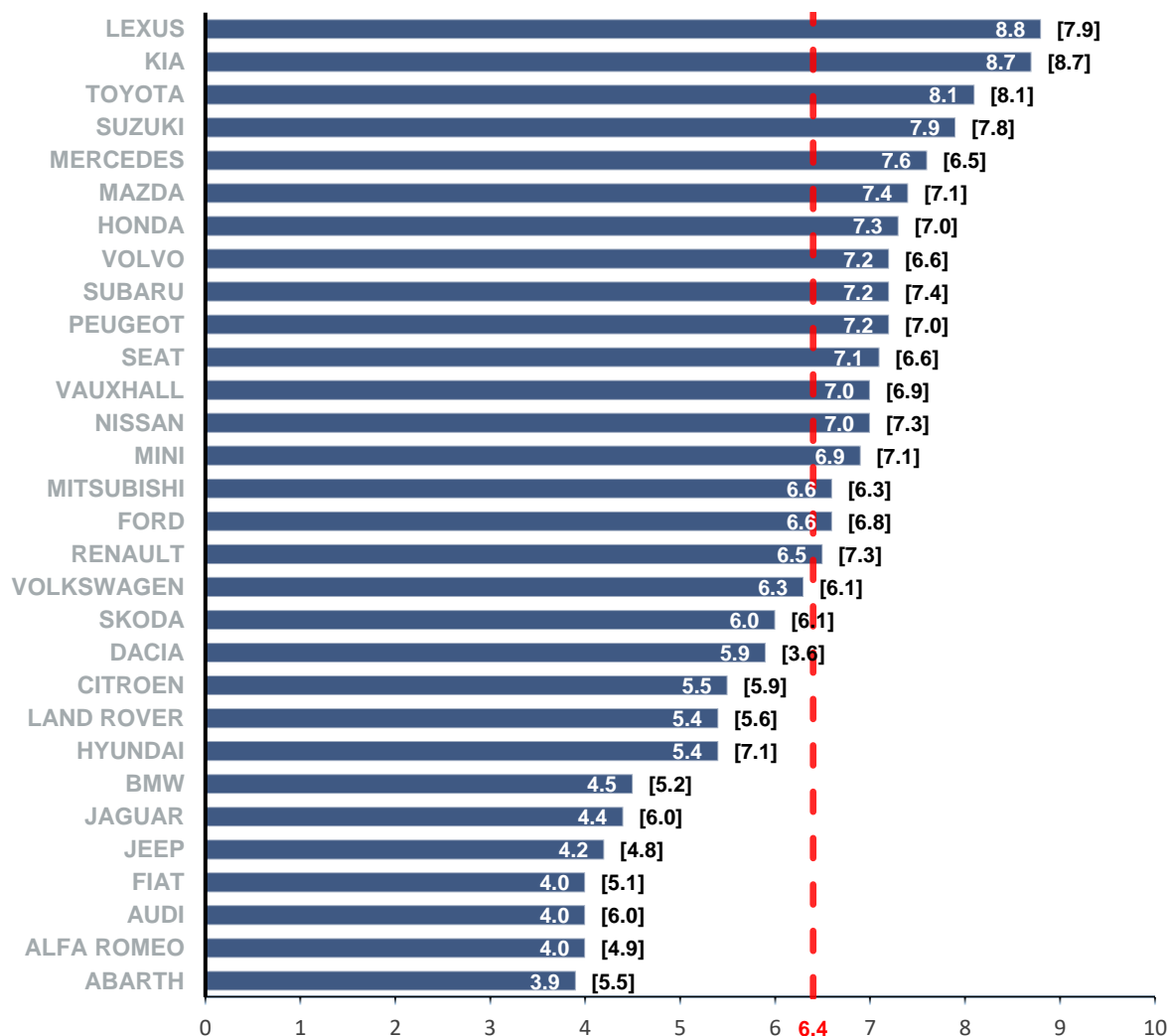
**Previous average:** 5.9 points

### Summary

In this area of manufacturers' standard and performance measures, the all-dealer average score decreased by -0.1 points. Almost two thirds of dealer networks gave ratings lower than in the winter survey (18; 60%), whilst 12, 40%, were higher. As with the previous survey, in the previous survey, two thirds of the responses were above 5.0 (20; 67%).

## Used cars

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



**Biggest improvement:** Dacia +2.3 points

**Largest decline:** Audi -2.0 points

**Average score:** 6.4 points

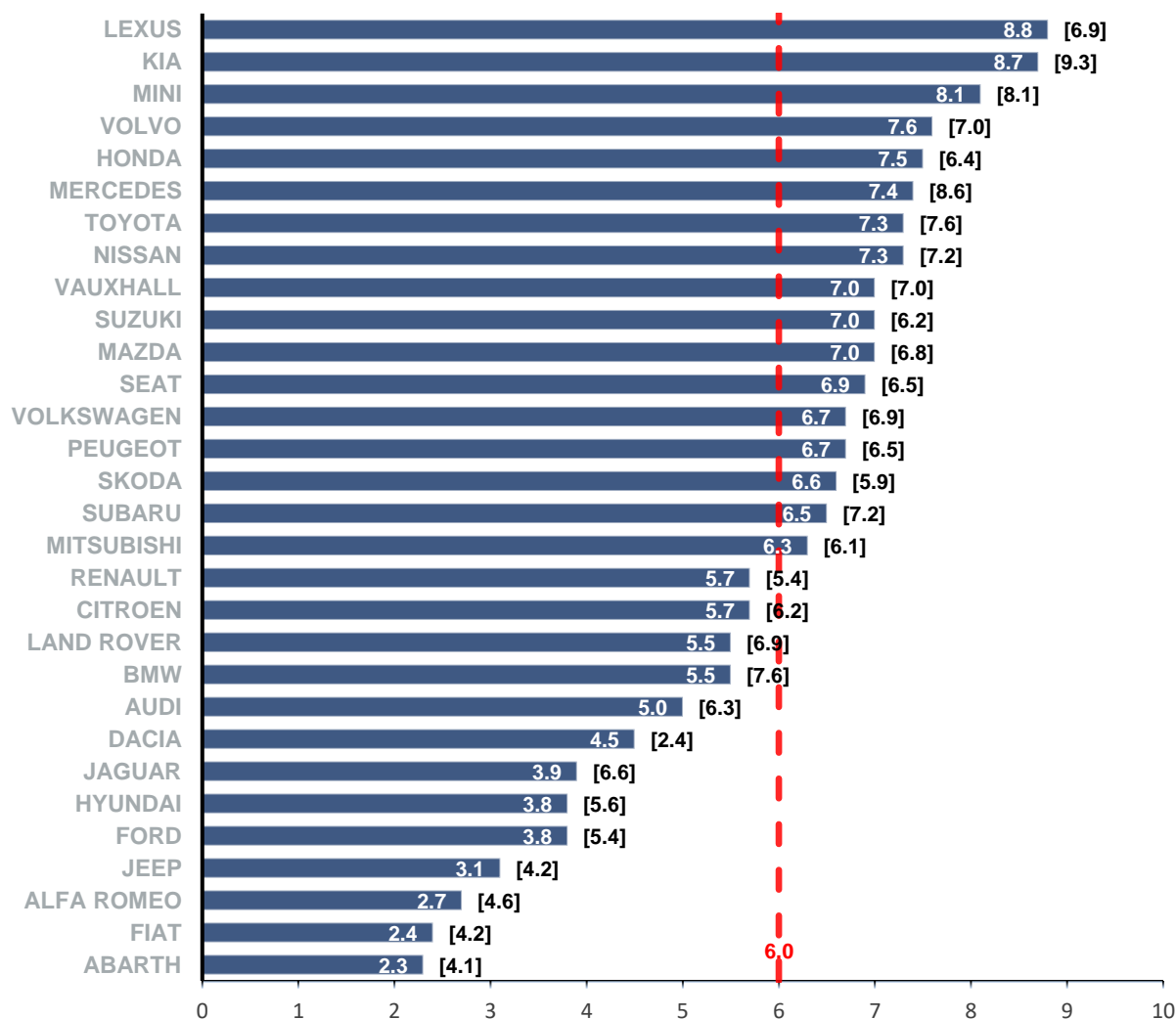
**Previous average:** 6.6 points

### Summary

Although questions about used cars tend to see some of the highest average scores in the survey, in summer 2019 there was a decline of 0.2 from the previous survey and 0.1 from a year ago. Overall, 12 ratings went up, more than half declined (16; 53%), and 2 did not change. The majority of responses was above 5.0 (23; 77%).

## Used cars

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



**Biggest improvement:** Dacia +2.1 points

**Largest decline:** Jaguar -2.7 points

**Average score:** 6.0 points

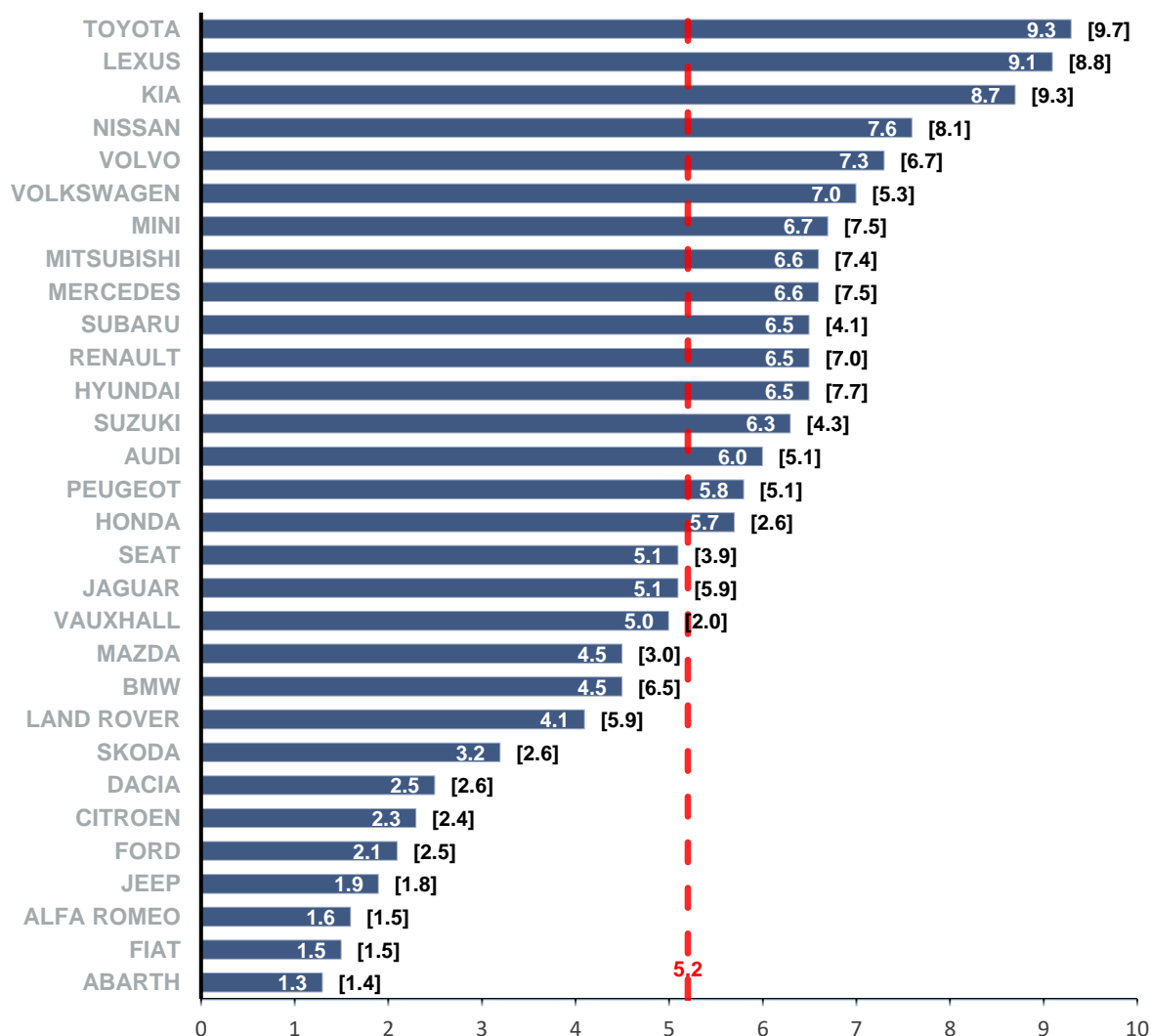
**Previous average:** 6.4 points

### Summary

Retailers are less satisfied with their manufacturers' used car programmes. In this area, the average score decreased by 0.4 points from six months ago. In general, 12 networks gave higher scores than in the previous winter issue, 16 were lower, and two did not change. Out of all networks' ratings, 21, 70%, were above 5.0.

## Future directions

How satisfied are you with the alternative fuel vehicle offering?



**Biggest improvement:** Vauxhall +3.0 points

**Largest decline:** BMW -2.0 points

**Average score:** 5.2 points

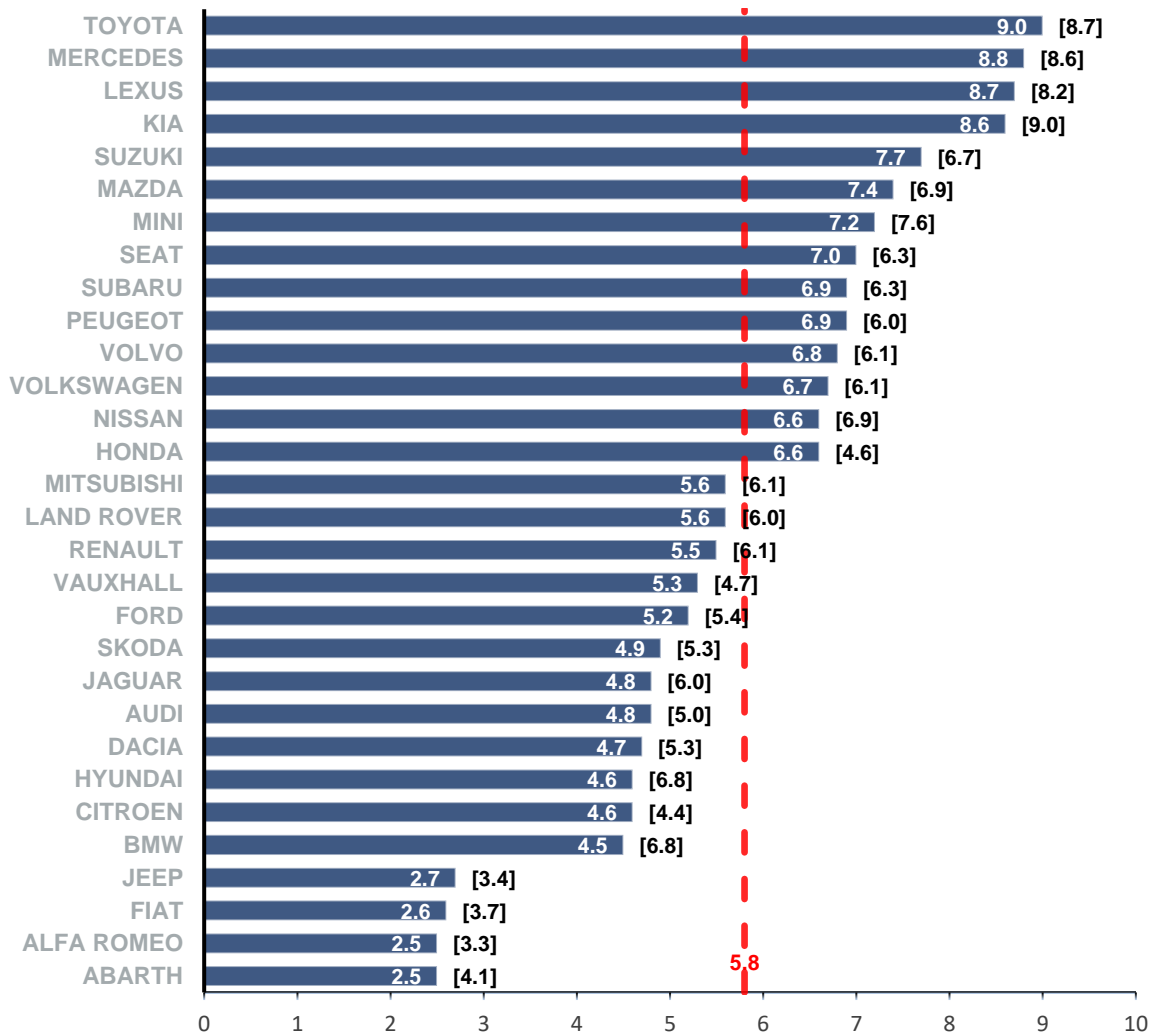
**Previous average:** 5.0 points

### Summary

The average dealers' satisfaction with their manufacturers' alternative fuel vehicle offering continued its upward trend, up by 0.2 points from six months ago and by 0.4 points from last year. Despite the general increase, less than half of the respondents saw an increase in score (14; 47%), 15 went down, and 1 remained the same. Most responses were higher than 5.0 (18; 60%).

## Future directions

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



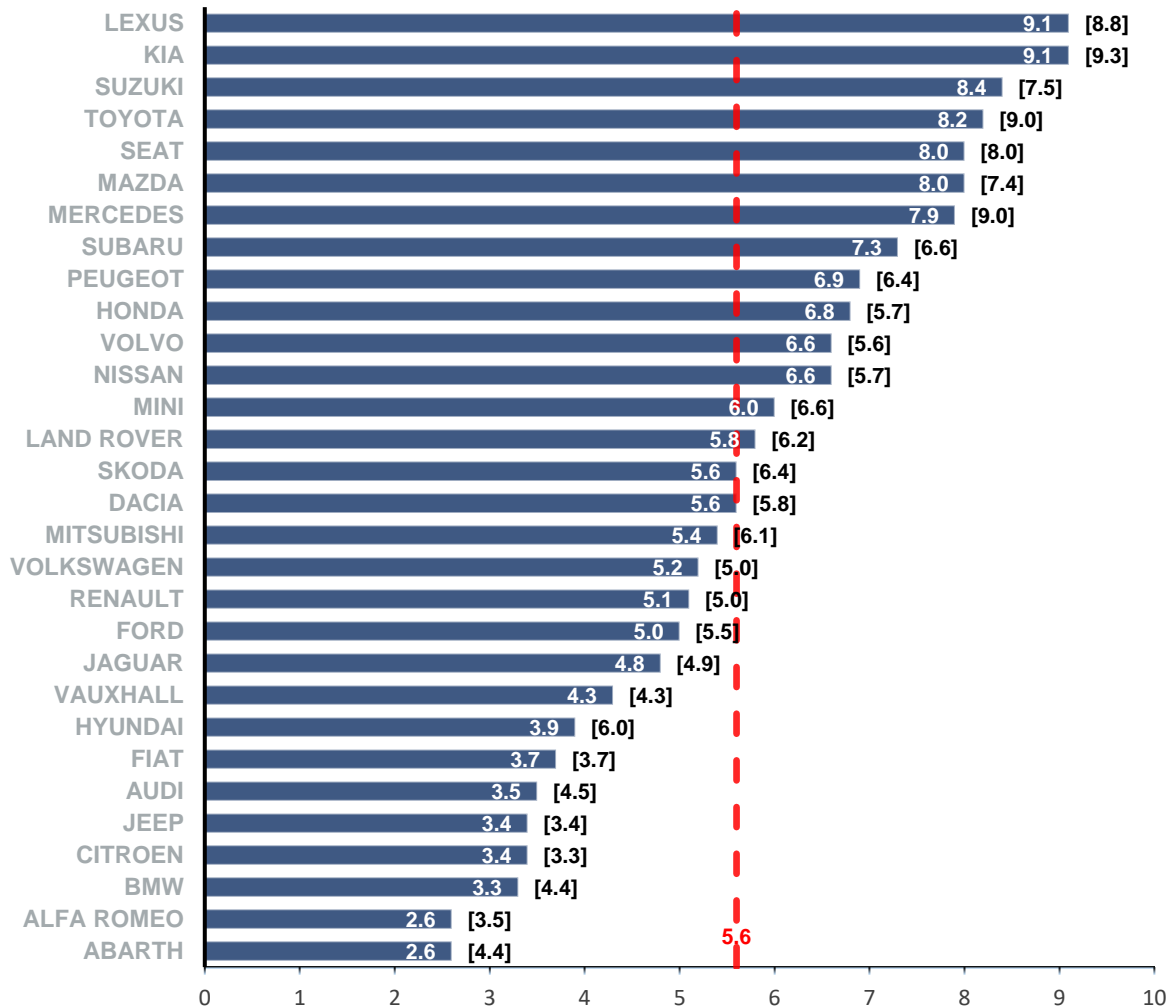
<b>Biggest improvement:</b>	Honda	+2.0 points
<b>Largest decline:</b>	BMW	-2.3 points
<b>Average score:</b>		5.8 points
<b>Previous average:</b>		5.9 points

### Summary

Following the previous increase, average dealer satisfaction levels with their manufacturers’ approaches to future retailing channels decreased by 0.1 points but remain at the same level as a year ago. More than one in two manufacturers had a lower score than six months ago (17; 57%), while 13 ratings went up. The majority of the dealer networks returned a score above 5.0 (19; 63%).

## Overall manufacturer scores

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



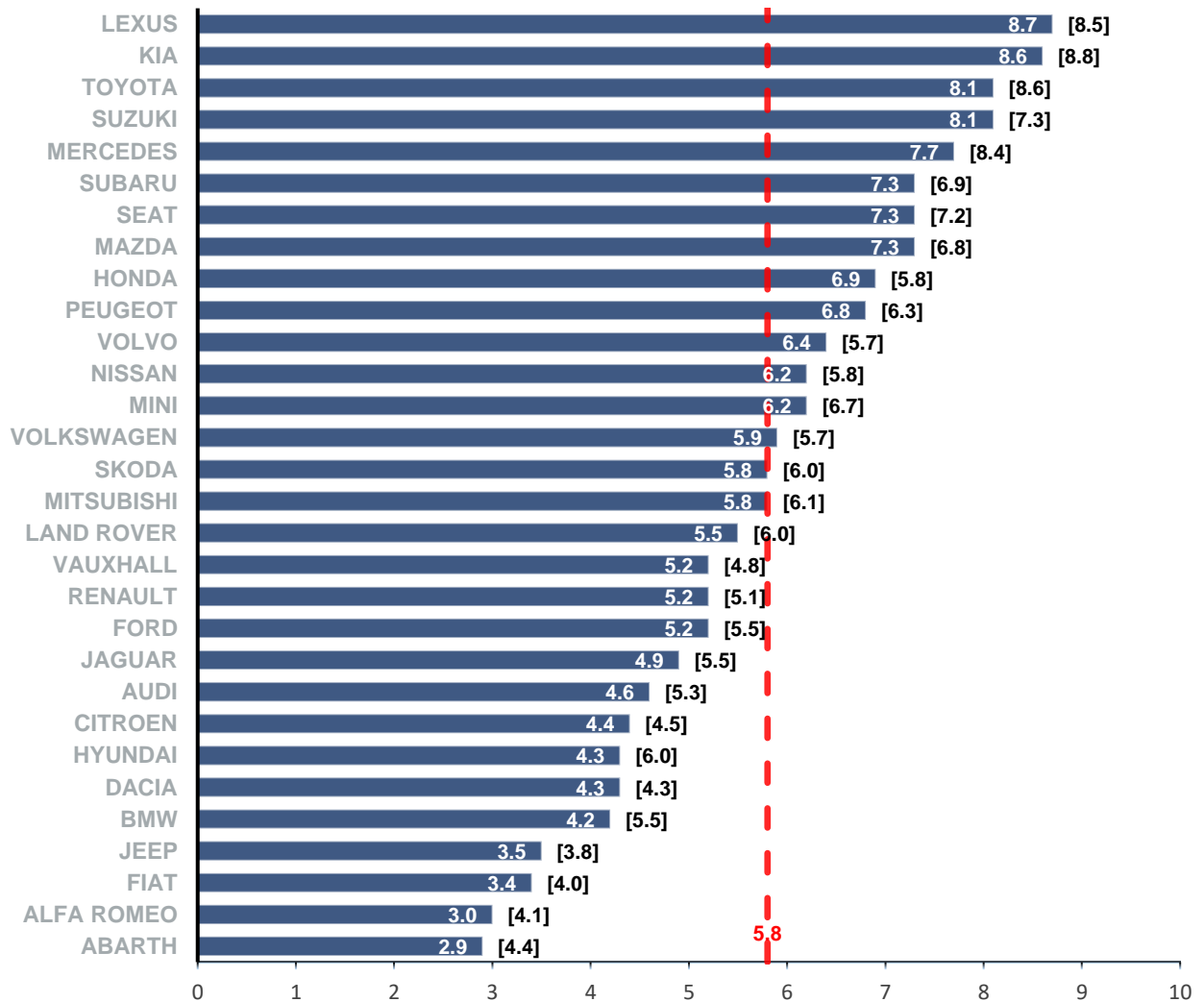
<b>Biggest improvement:</b>	Honda	+1.1 points
<b>Largest decline:</b>	Hyundai	-2.1 points
<b>Average score:</b>		5.6 points
<b>Previous average:</b>		5.8 points

### Summary

The average score given to the key question *how would you rate your manufacturer overall?* declined by 0.2 points from the last survey and 0.1 points from a year ago. Overall, 4 ratings did not change, half of them declined, and 11, 37%, improved. Almost two thirds of the responses were above 5.0 (19; 63%).

## Overall manufacturer scores

### Average score across all questions



<b>Biggest improvement:</b>	Honda	+1.1
<b>Largest decline:</b>	Hyundai	-1.7 points
<b>Average score:</b>		5.8 points
<b>Previous average:</b>		5.9 points

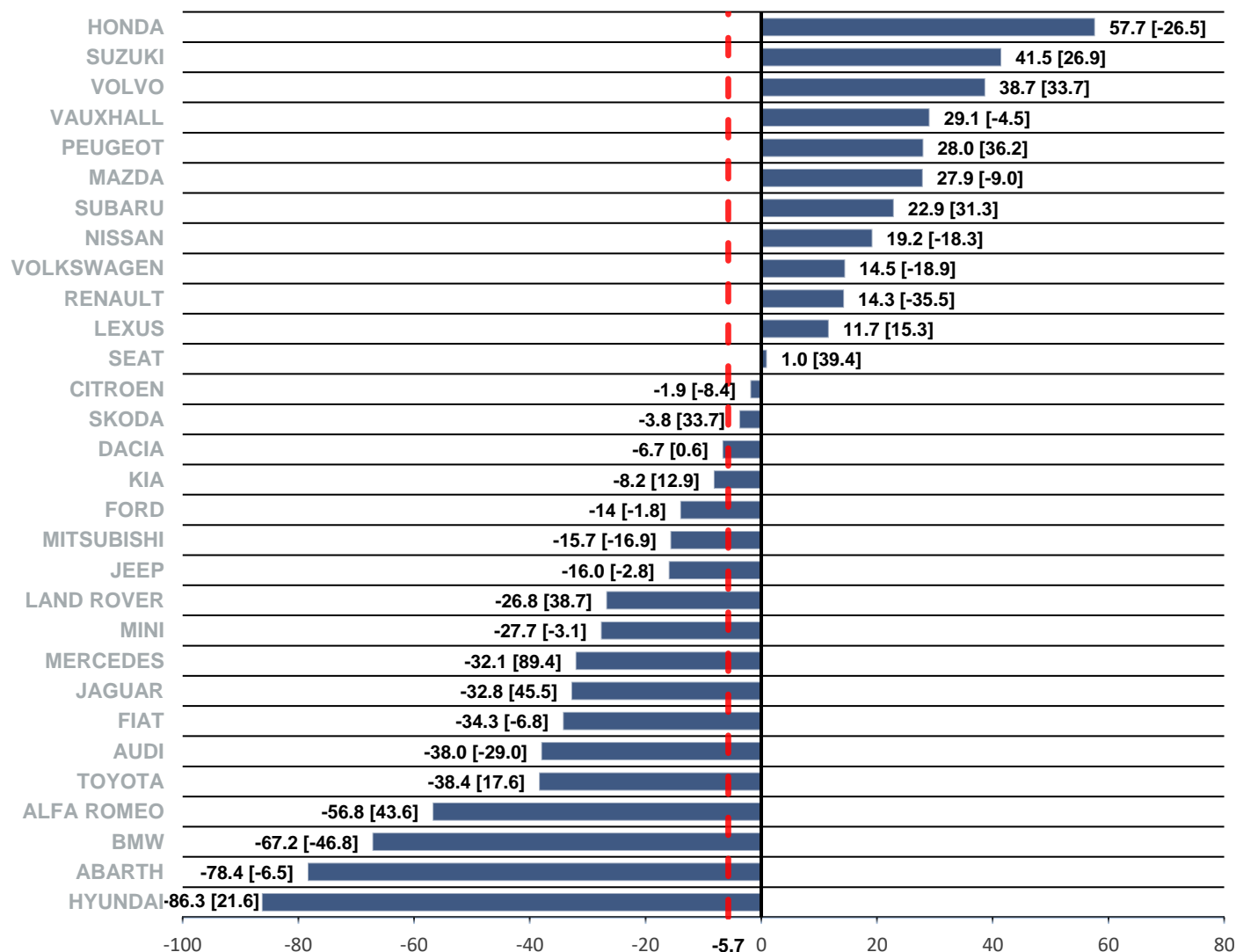
### Summary

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 a small average decline of 0.1 points compared to six months ago, but this remains higher by 0.2 points than last year. Overall, 12 ratings went up and 17 decreased. Two third of the surveyed dealer networks gave scores above 5.0.



## Overall manufacturer scores

### Total movement across all questions



**Biggest improvement:** Honda +57.7 points

**Largest decline:** Hyundai -86.3 points

**Average movement:** -5.7 points

**Previous average:** +3.3 points

### Summary

The movement in score across all questions of the survey indicates the overall improvements and declines of each manufacturer. On average, ratings declined by -5.7 points from six months ago, following the winter's increase of +3.3. Honda saw the largest upward movement with an overall improvement of 57.7 points, whilst Hyundai experienced the biggest decline with a total loss of -86.3 points.



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