NFDA
NATIONAL FRANCHISED DEALERS ASSOCIATION

Dealer Attitude Survey

Summer 2020

Contents

Introduction	**3**
Manufacturer support	**4**
Profit return	**6**
Return on investment	**8**
Targets	**10**
Incentives	**12**
Day-to-day working relationship	**13**
Standards and performance measures	**16**
Training	**17**
Future directions	**18**
Overall scores	**20**

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, carries out the Dealer Attitude Survey twice a year. Since its launch in 1989, this is the first time the survey was conducted entirely online. With a total of 2,590 responses from 31 participating dealer networks, the survey received a record response rate of 60.1%.

This edition of the survey was conducted in July 2020 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).

Overall dealer satisfaction levels did not face huge changes from six months ago despite a number of interesting movements in key business areas. Positively, dealers were on average fairly satisfied with support received from their respective manufacturers throughout the pandemic.

Dealer networks also expressed a degree of satisfaction with the ability to do business with their manufacturers as well as with the quality of training manufacturers provide. Looking at the market over the coming years, it is encouraging that dealers are on average satisfied with their alternative fuel vehicle offering.

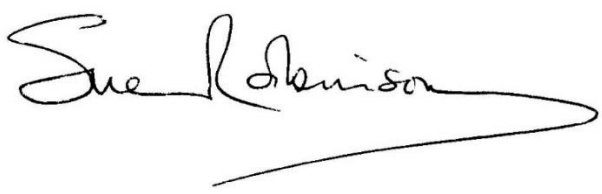
The key question asking dealers ‘how would you rate your manufacturer overall?’, saw a slight increase in score from six months ago.

Like in the previous issue of the survey, key areas of concern for franchised dealers were the current profit return from representing their business and the return on capital for their business. There was also a level of discontent with manufacturers’ new car targeting process.

This report is a summary of the results of the NFDA Dealer Attitude Survey summer 2020.
It gives an overview of the findings through the graphs and analysis of the main questions. In this edition of the report. A full version of the report is available on request.

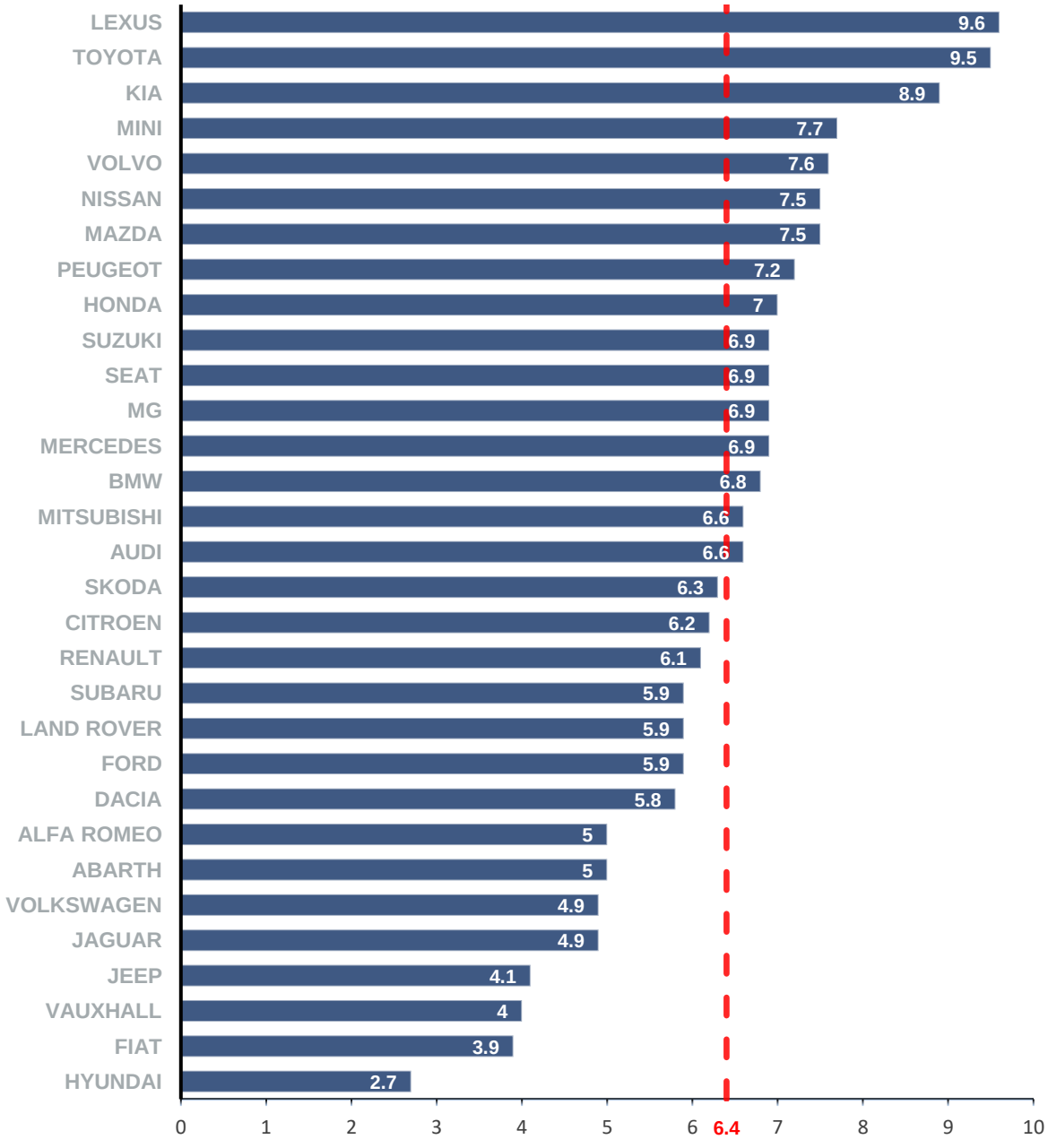
The survey was analysed by the National Franchised Dealers Association (NFDA). For more information, please email **nfda@rmif.co.uk**

Sue Robinson
Director, National Franchised Dealers Association



Manufacturer support

How satisfied are you with you with the level of your manufacturers support throughout the Covid-19 crisis?

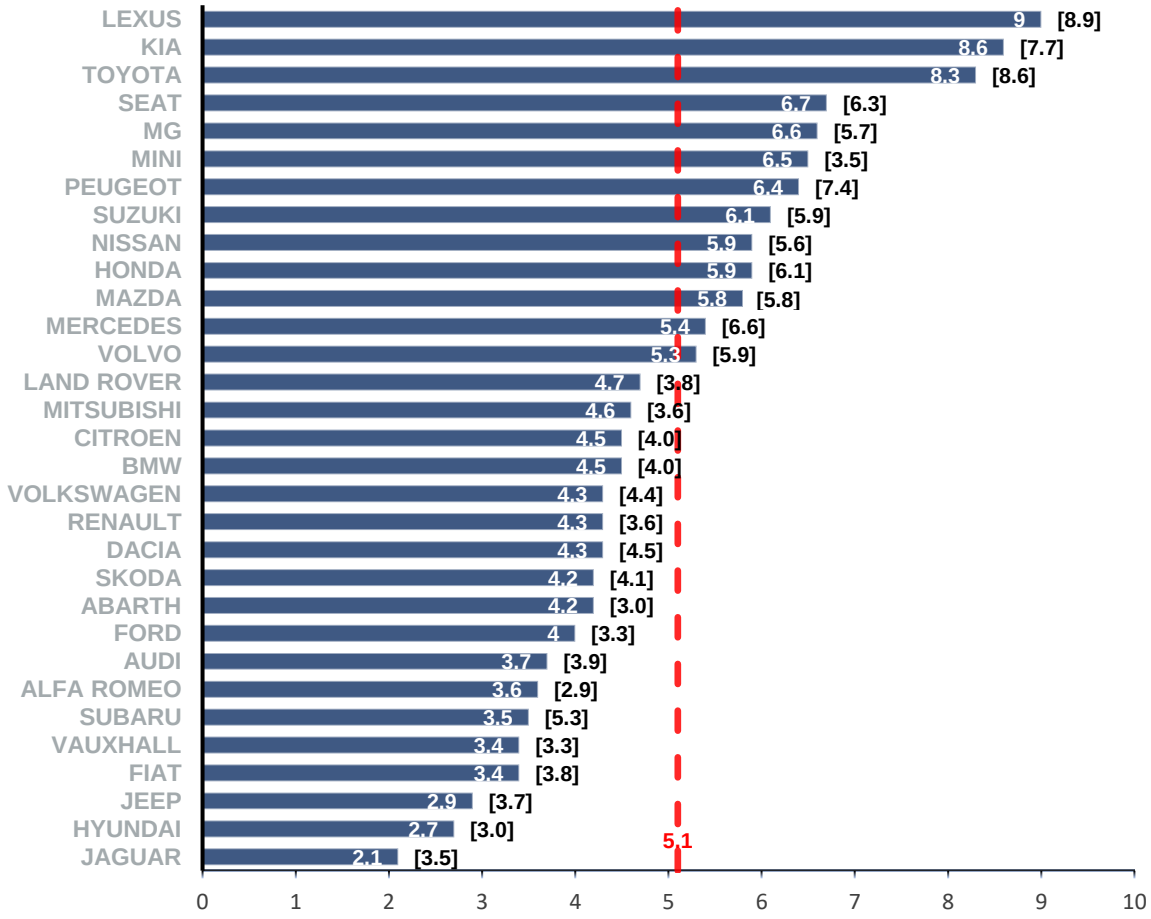


Summary

Average dealers' satisfaction levels with the support they received throughout the COVID-19 crisis were relatively high at 6.4 out of 10 points. There were 23 networks that scored above 5.0 points, with 8 scoring on or below that mark.

Profit return

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



Figures in black = Winter 2019/2020
Figures in white = Summer 2019

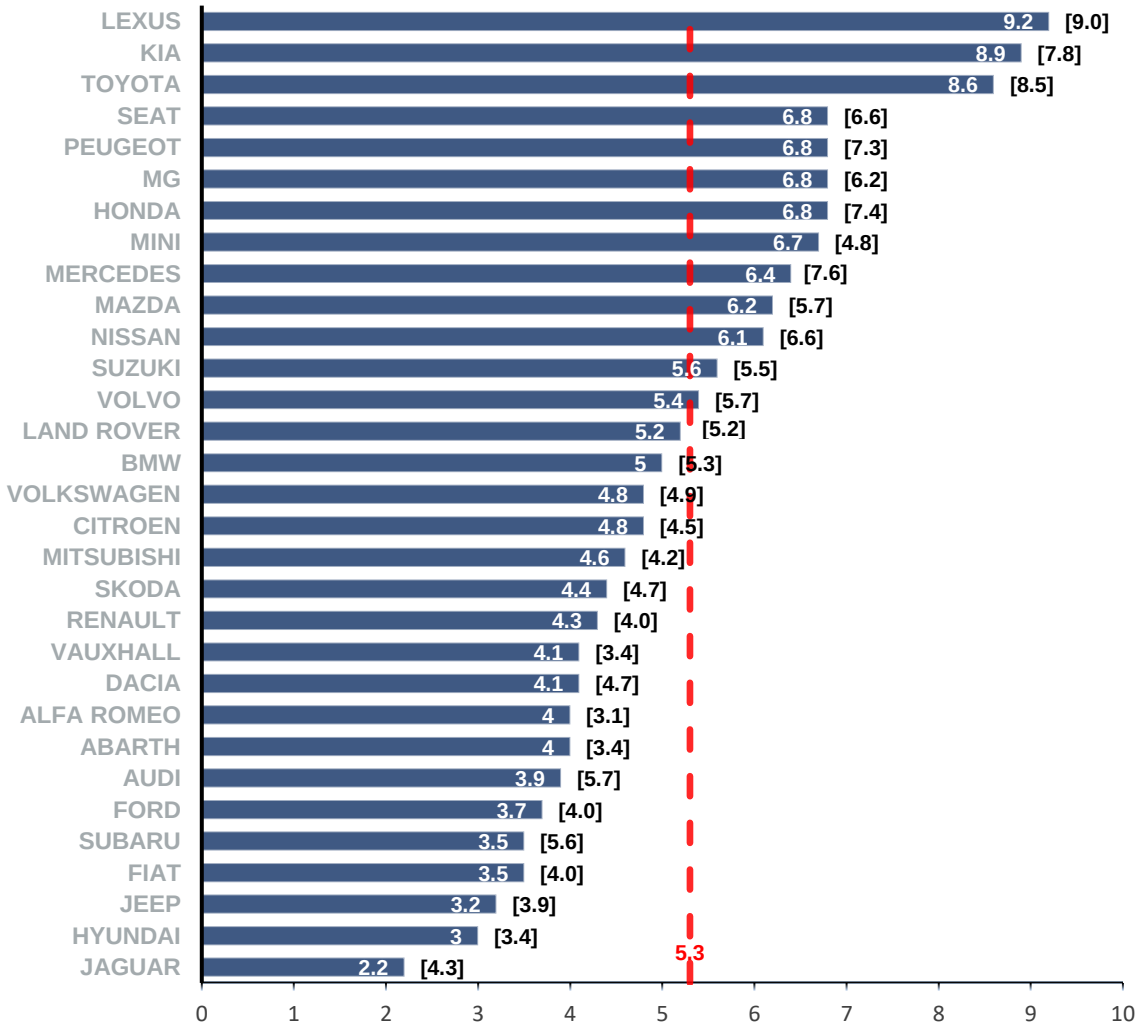
Biggest improvement:	Mini	+3.0 points
Largest decline:	Subaru	-1.8 points
Average score:		5.1 points
Previous average:		5.0 points

Summary

There has been an improvement in the average dealers' satisfaction with their current profit return, witnessed through a 0.1 points increase to 5.1 points, compared with the previous winter 2019/2020 survey. There were 17 networks that saw their levels of satisfaction increase, while 13 dealer networks' satisfaction decrease, with 1 remaining the same.

Profit return

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



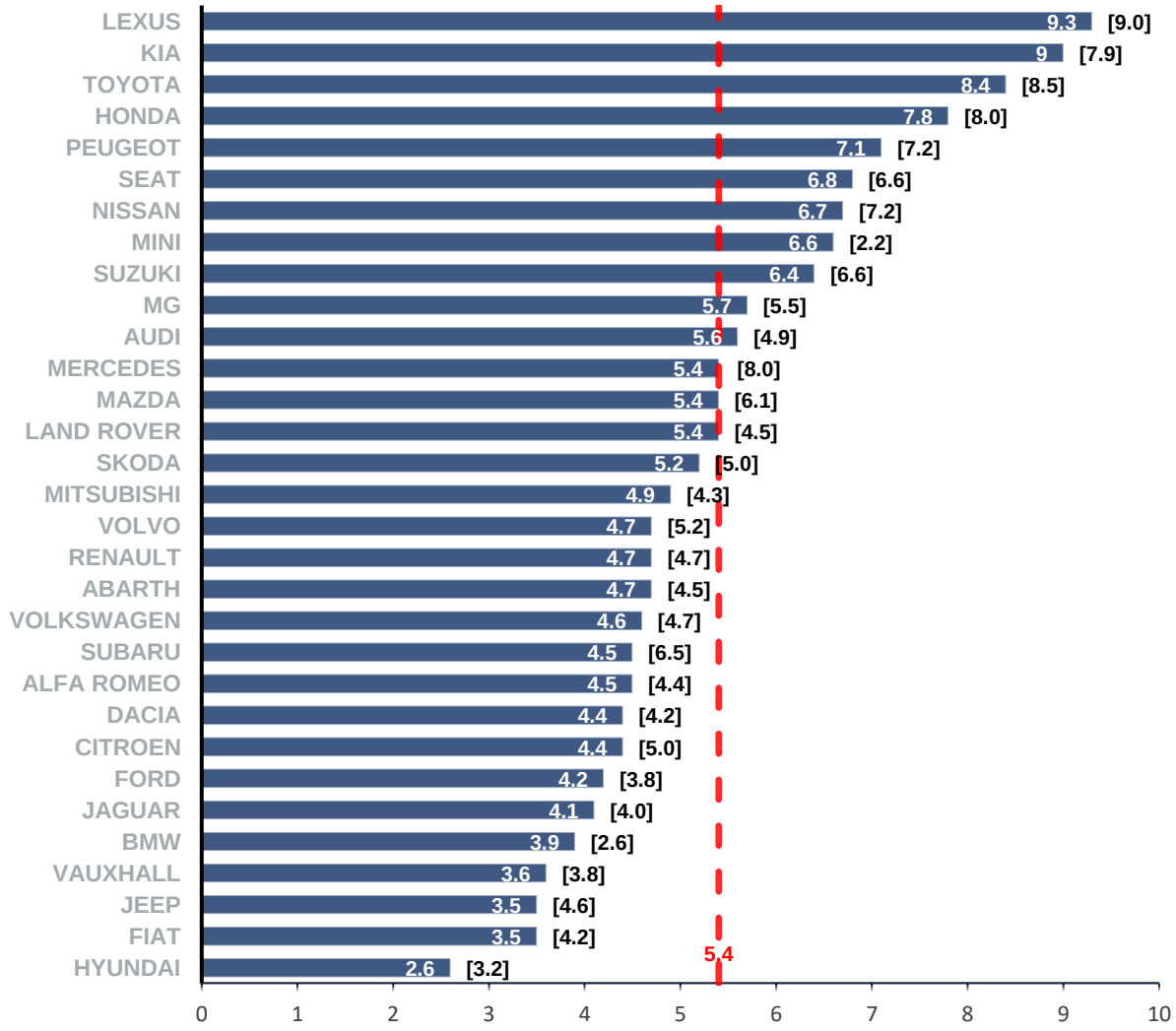
Biggest improvement:	Mini	+1.9 points
Largest decline:	Jaguar / Subaru	-2.1 points
Average score:		5.3 points
Previous average:		5.4 points

Summary

Dealers' satisfaction with their predicted future profit return dropped to an average score of 5.3 points, down from 5.4 points in the survey six months before. There were 14 responses that improved, with 16 of them declining, and 1 remaining the same. There was a near even split with 14 scores higher than 5.0 and 17 scores on or below 5.0 points.

Profit return

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



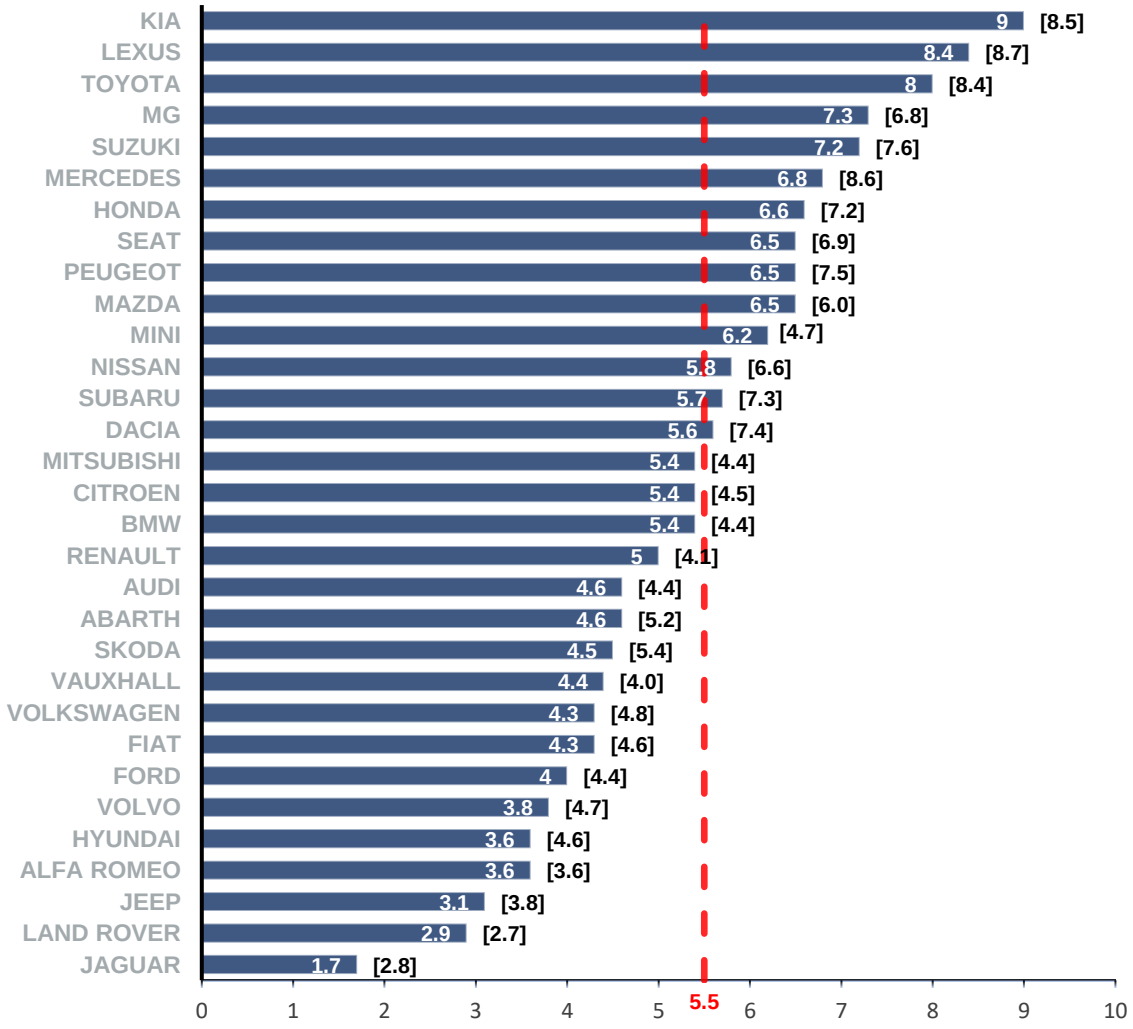
Biggest improvement:	Mini	+4.4
Largest decline:	Mercedes	-2.6 points
Average score:		5.4 points
Previous average:		5.5 points

Summary

The average dealers' satisfaction with total margin on new vehicles went down by 0.1 points from the winter survey, to 5.4 points. Overall, 16 scores were below 5.0. There were 15 respondents with higher ratings than six months before, 15 experienced a decline and 1 remained the same.

Return on investment

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



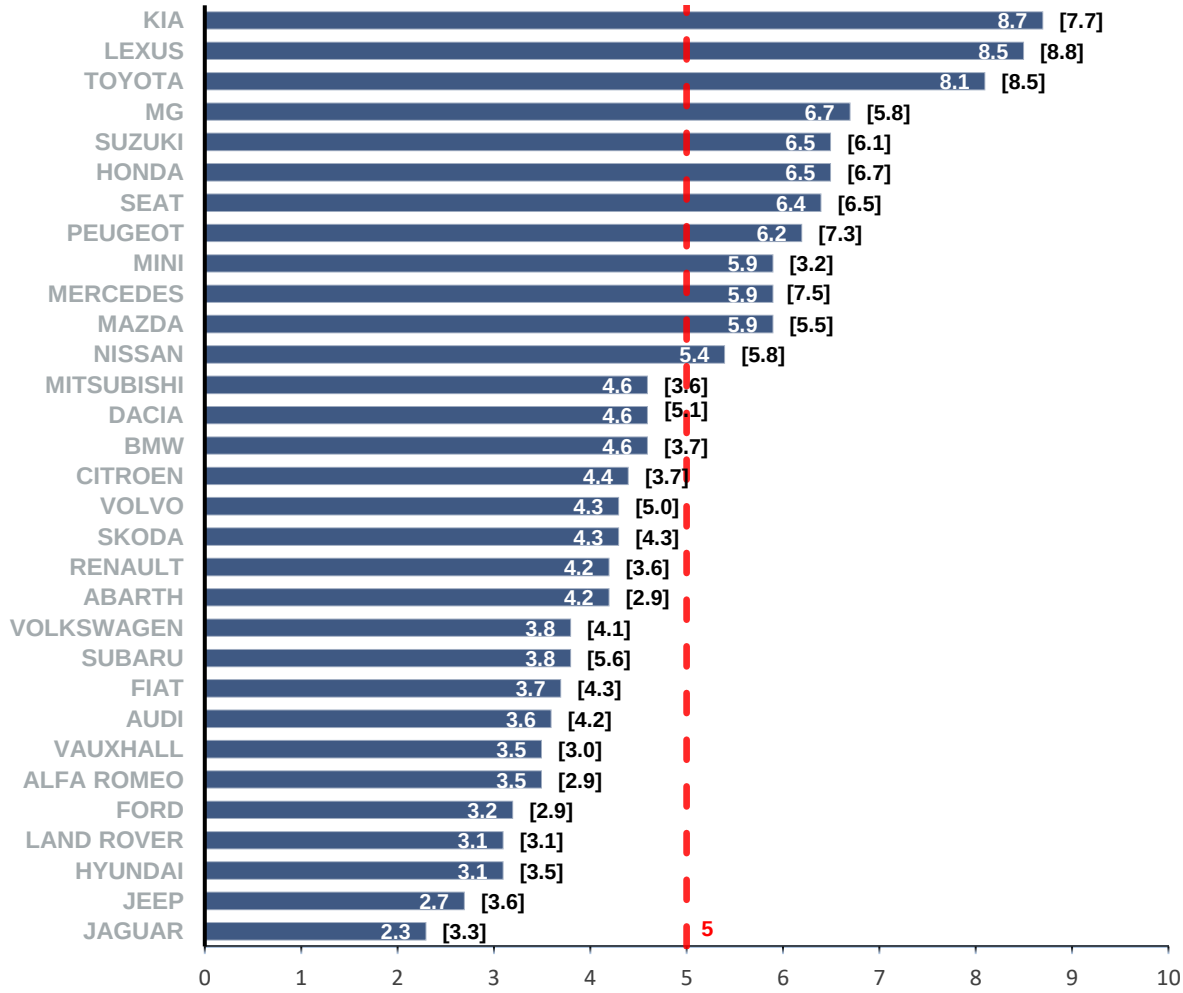
Biggest improvement:	Mini	+1.5 points
Largest decline:	Dacia / Mercedes	-1.8 points
Average score:		5.5 points
Previous average:		5.4 points

Summary

Average dealers' satisfaction levels with the required level of capital investment saw an increase of 0.1 points from the winter survey to 5.5 points. 18 of the scores experienced a decrease compared to six months before, while 12 increased, and 1 remained the same. Out of all the surveyed dealer networks, 14 were on or below 5.0 and 17 were above.

Return on investment

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



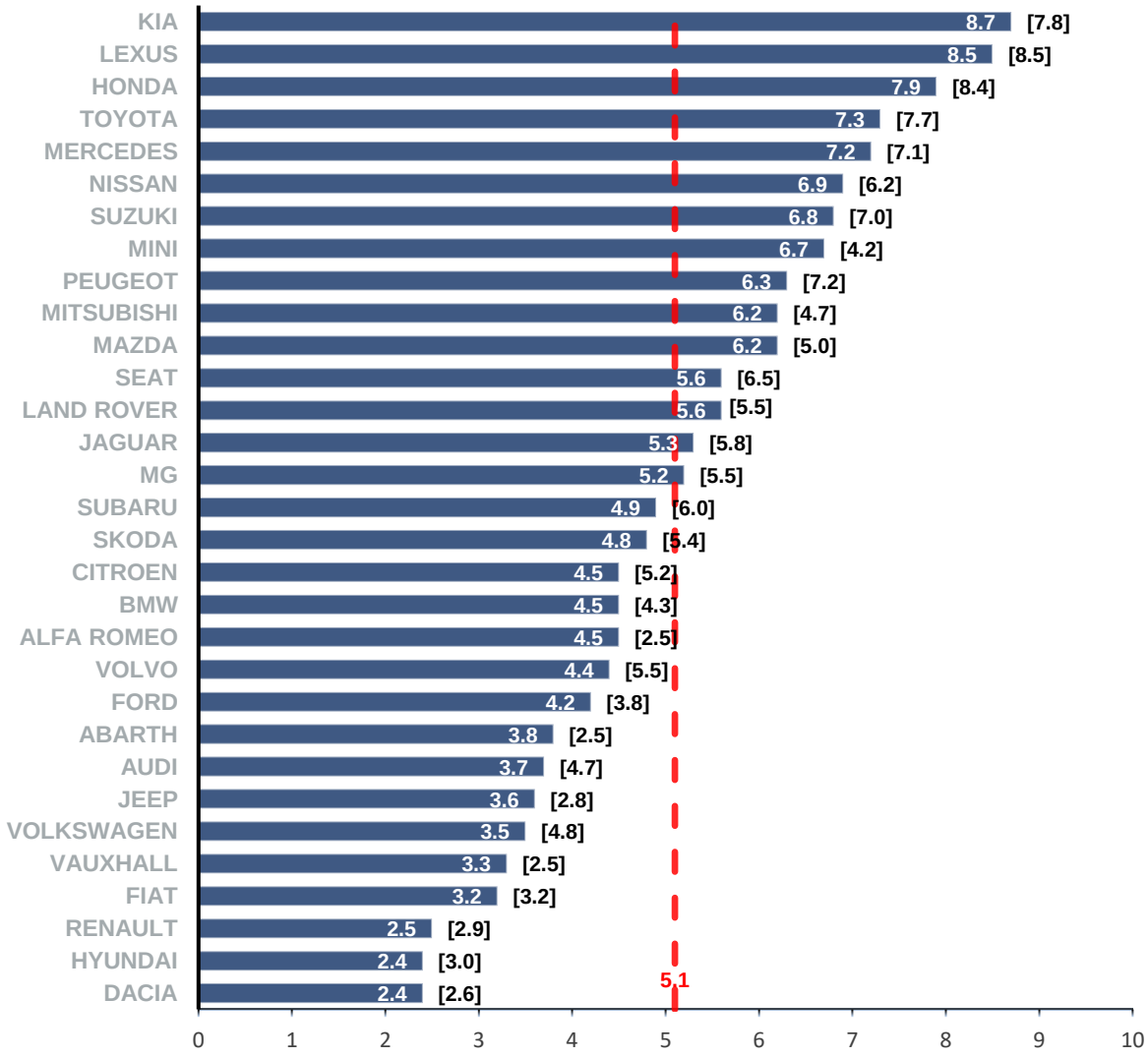
Biggest improvement:	Mini	+2.7 points
Largest decline:	Subaru	-1.8 points
Average score:		5.0 points
Previous average:		5.0 points

Summary

Average dealers' satisfaction levels with the return on capital for their dealership remained unchanged from the previous edition of the survey at 5.0 points. Overall, 19 of the respondents gave a score below the average of 5.0, while the remaining 12 were above. There were 16 responses that experienced a decrease from the winter 2019 survey, 13 increased and 2 remained the same.

Targets

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



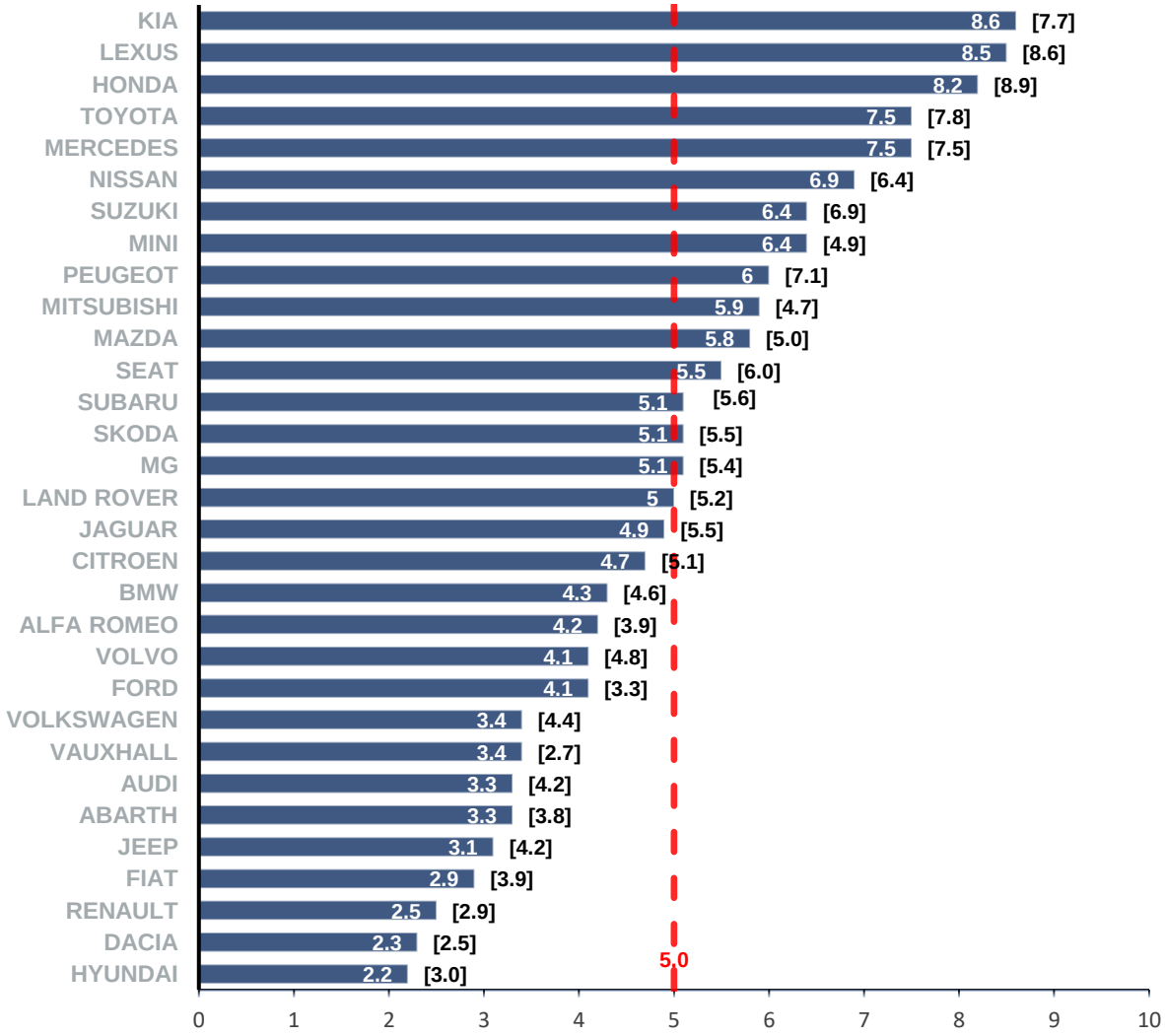
Biggest improvement:	Mini	+2.5 points
Largest decline:	Volkswagen	-1.3 points
Average score:		5.1 points
Previous average:		5.2 points

Summary

Average dealers' satisfaction levels with their manufacturers' target aspirations declined by 0.1 points from the winter survey. There were 16 ratings below 5.0. Overall, 13 ratings increased from six months before, 16 respondents saw a decline and 2 remained the same.

Targets

How satisfied are you with your new car targeting process?



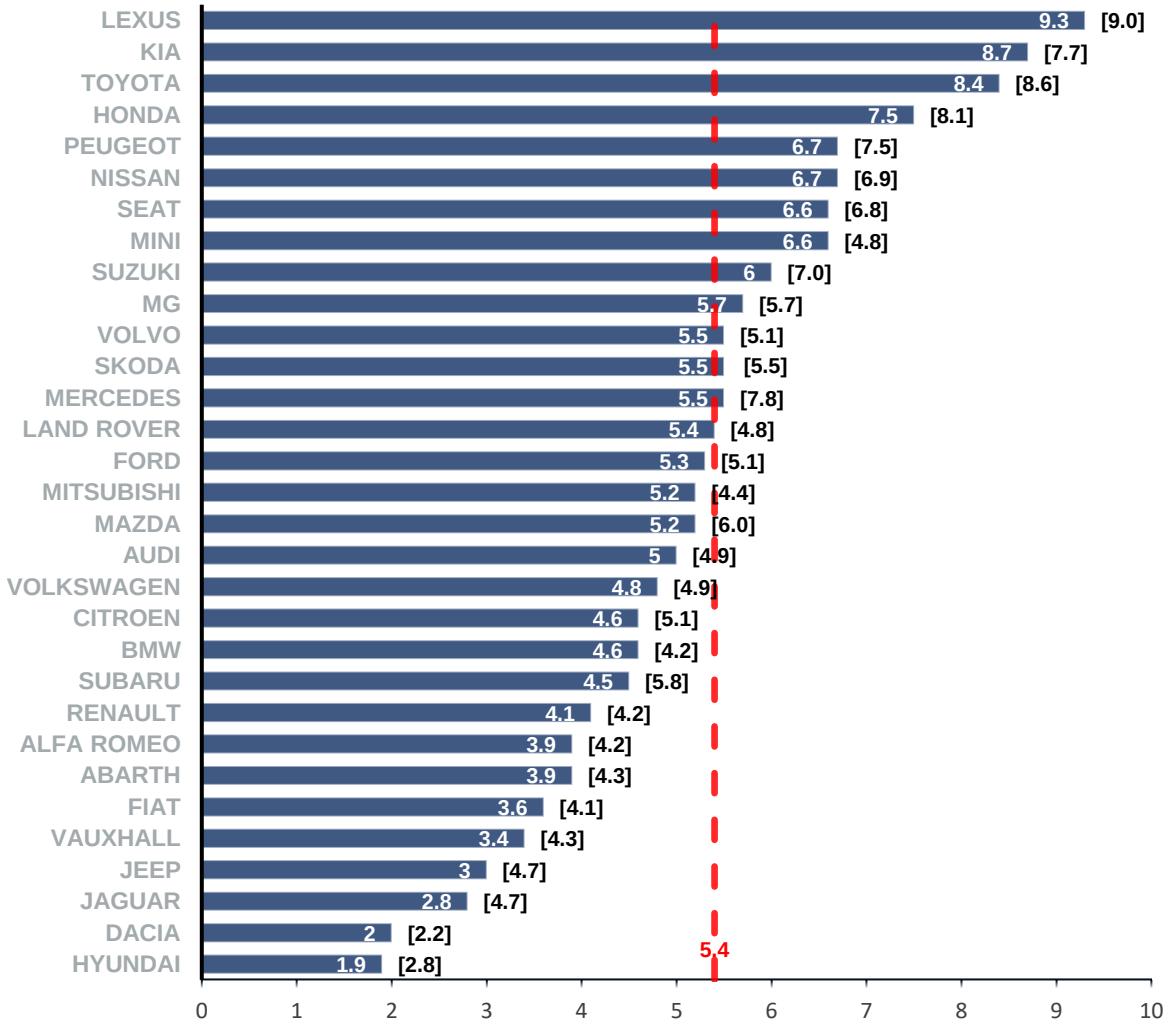
Biggest improvement:	Mini	+1.5 points
Largest decline:	Peugeot / Jeep	-1.1 points
Average score:		5.0 points
Previous average:		5.2 points

Summary

The average dealers' satisfaction with their new car targeting process decreased by 0.2 from six months ago to 5.0 points. This is higher than last summer's 4.9 average score. There was an even split of ratings above and below 5.0 points, with 15 respondents on either side. 22 ratings, which is substantially more than half of the manufacturers, had a score which was lower than the previous survey.

Incentives

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



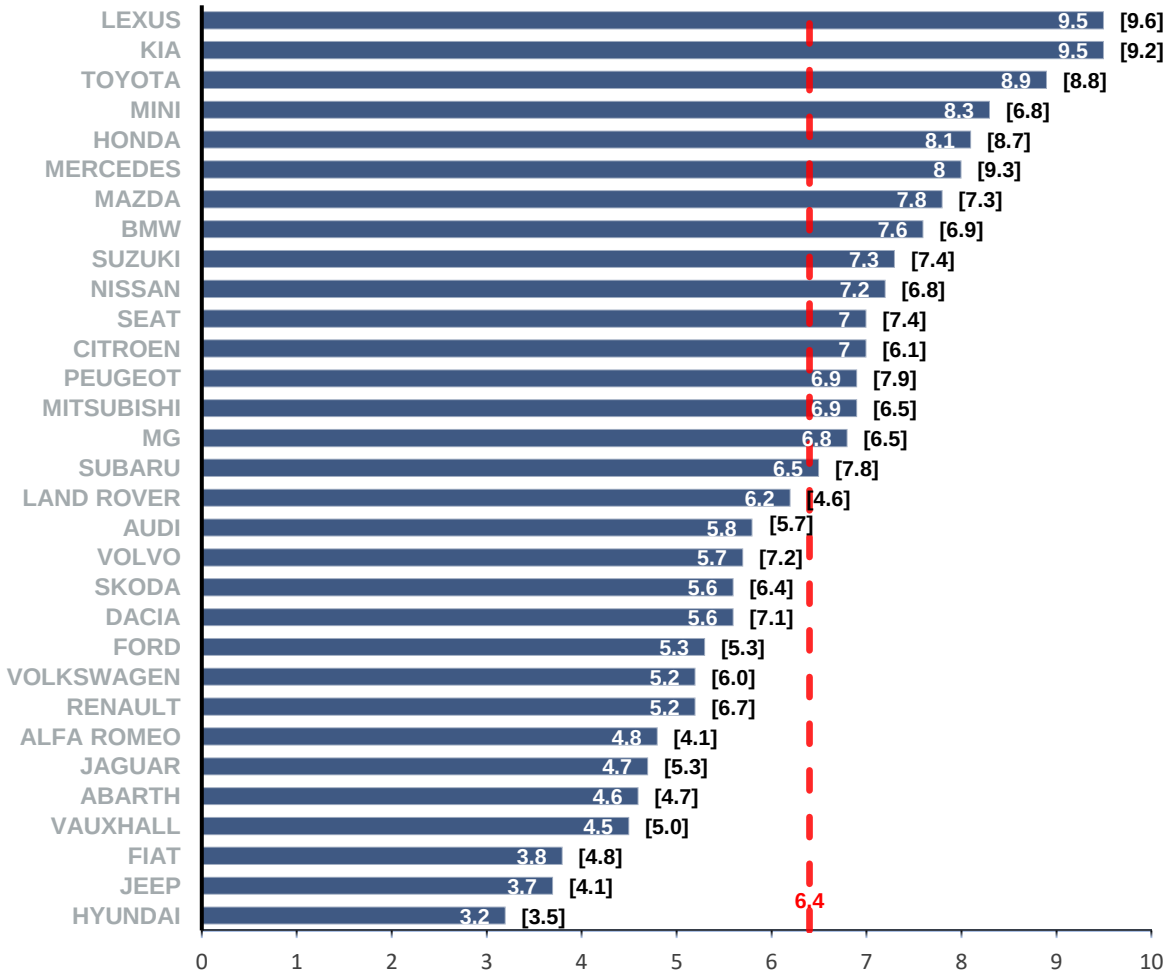
Biggest improvement:	Mini	+1.8 points
Largest decline:	Jaguar	-1.9 points
Average score:		5.4 points
Previous average:		5.7 points

Summary

There has been a -0.3 points decrease from the winter survey, to 5.4 points. A total of 14 ratings were on or below 5.0 points. Overall, a clear majority of manufacturers, 20 of them, saw their scores decline, with 9 experiencing an increase, and two remaining constant.

Day-to-day working relationship

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



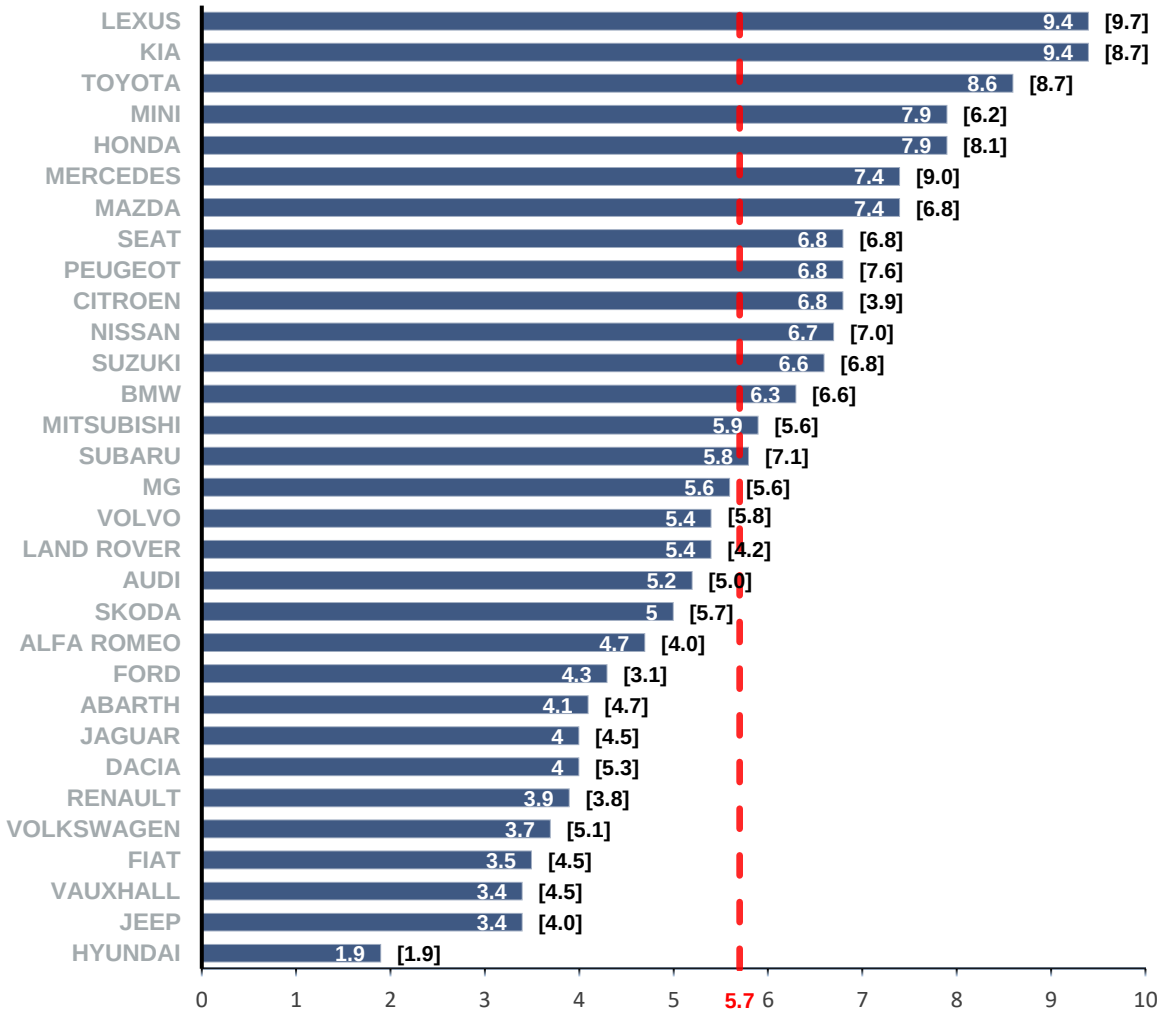
Biggest improvement:	Land Rover	+1.6 points
Largest decline:	Renault / Dacia / Volvo	-1.5 points
Average score:		6.4 points
Previous average:		6.5 points

Summary

The ability to do business on a day-to-day basis is a key aspect of the dealer/manufacturer relationship. The average score decreased by 0.1 points from six months ago. Most manufacturers had scores above 5.0, with 24 responses above the middle score. Over half of respondents saw lower scores than the winter 2019 survey, whilst 12 improved and 1 remained unchanged.

Day-to-day working relationship

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



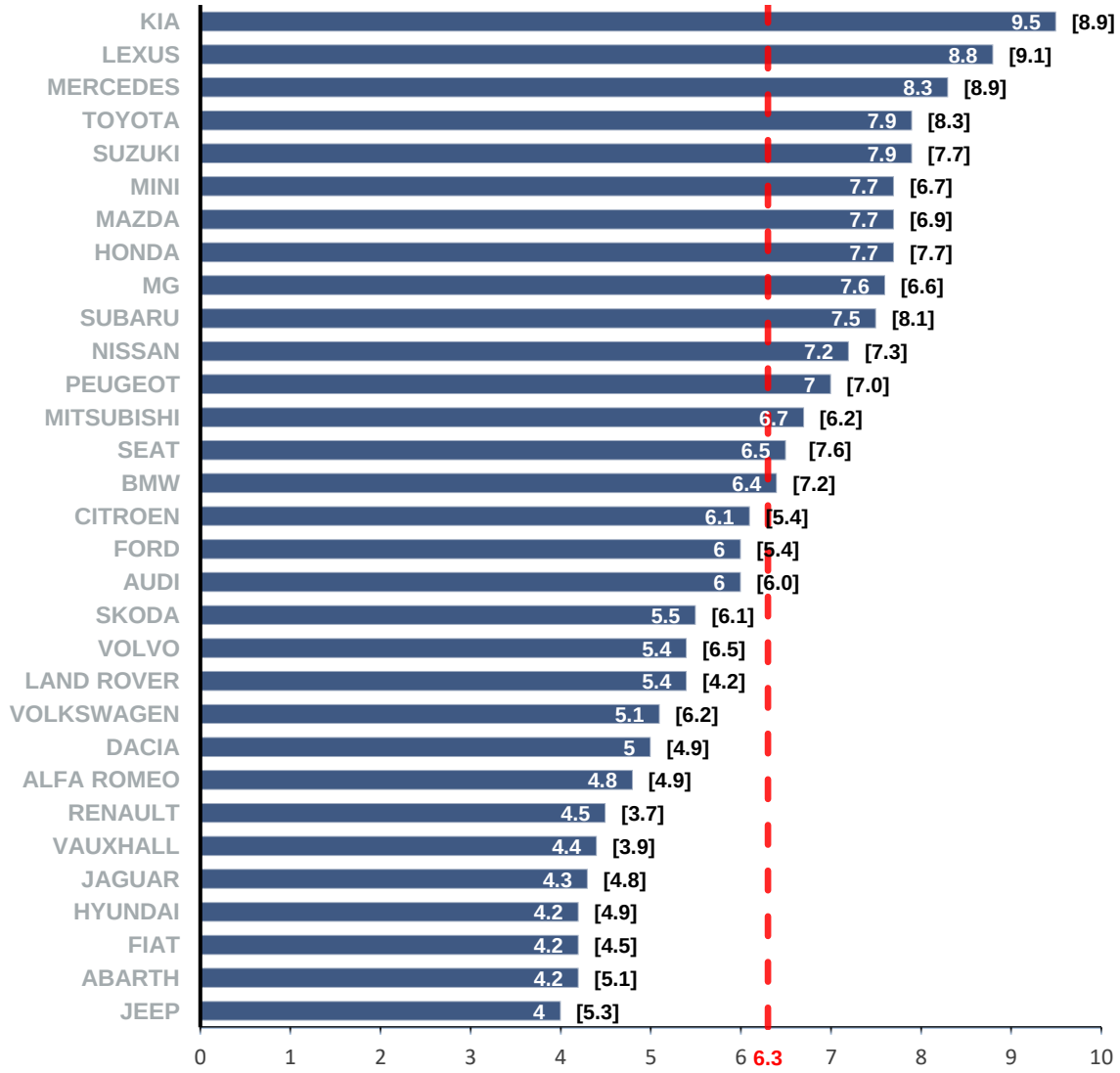
Biggest improvement:	Citroen	+2.9 points
Largest decline:	Mercedes	-1.6 points
Average score:		5.7 points
Previous average:		5.7 points

Summary

Dealers remain as positive as six months before about their manufacturers taking the networks' views and opinions into account as shown by the same average score of 5.7. There were 19 responses with scores greater than 5.0. Overall, 17 responses declined from the winter 2019 survey, with 10 improving and 3 remaining the same.

Standards and performance measures

Are your manufacturer dealer standards fair and reasonable?



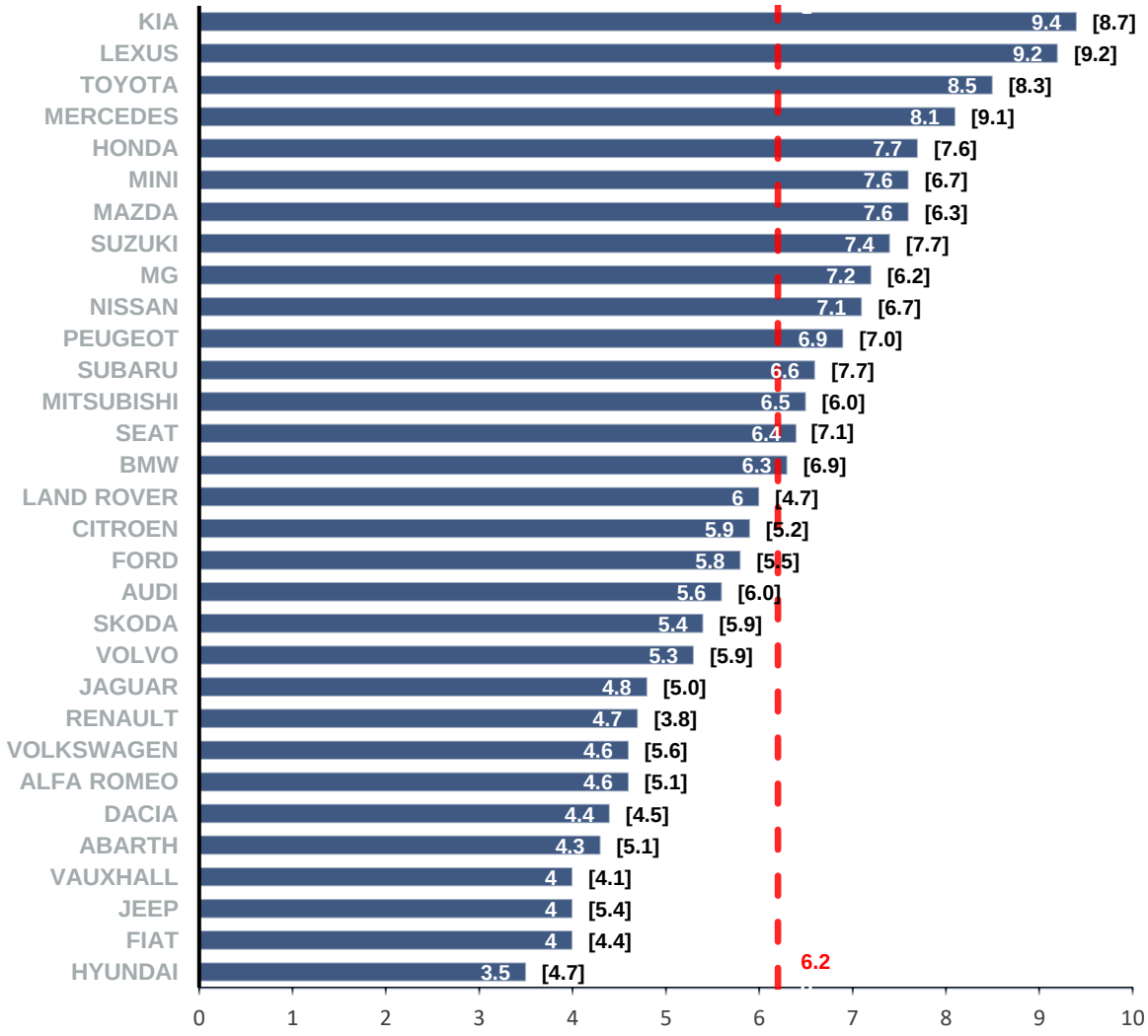
Biggest improvement:	Land Rover	+1.2 points
Largest decline:	Jeep	-1.3 points
Average score:		6.3 points
Previous average:		6.2 points

Summary

The average score about dealers' satisfaction with manufacturers' standards saw an increase of 0.1 from the winter 2019 survey, to 6.3 points. There were 23 responses above 5.0 and 9 on or below. Out of all the surveyed dealer networks, 16 had decreased satisfaction scores compared with six months ago, with 12 increasing and 3 remaining the same.

Standards and performance measures

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



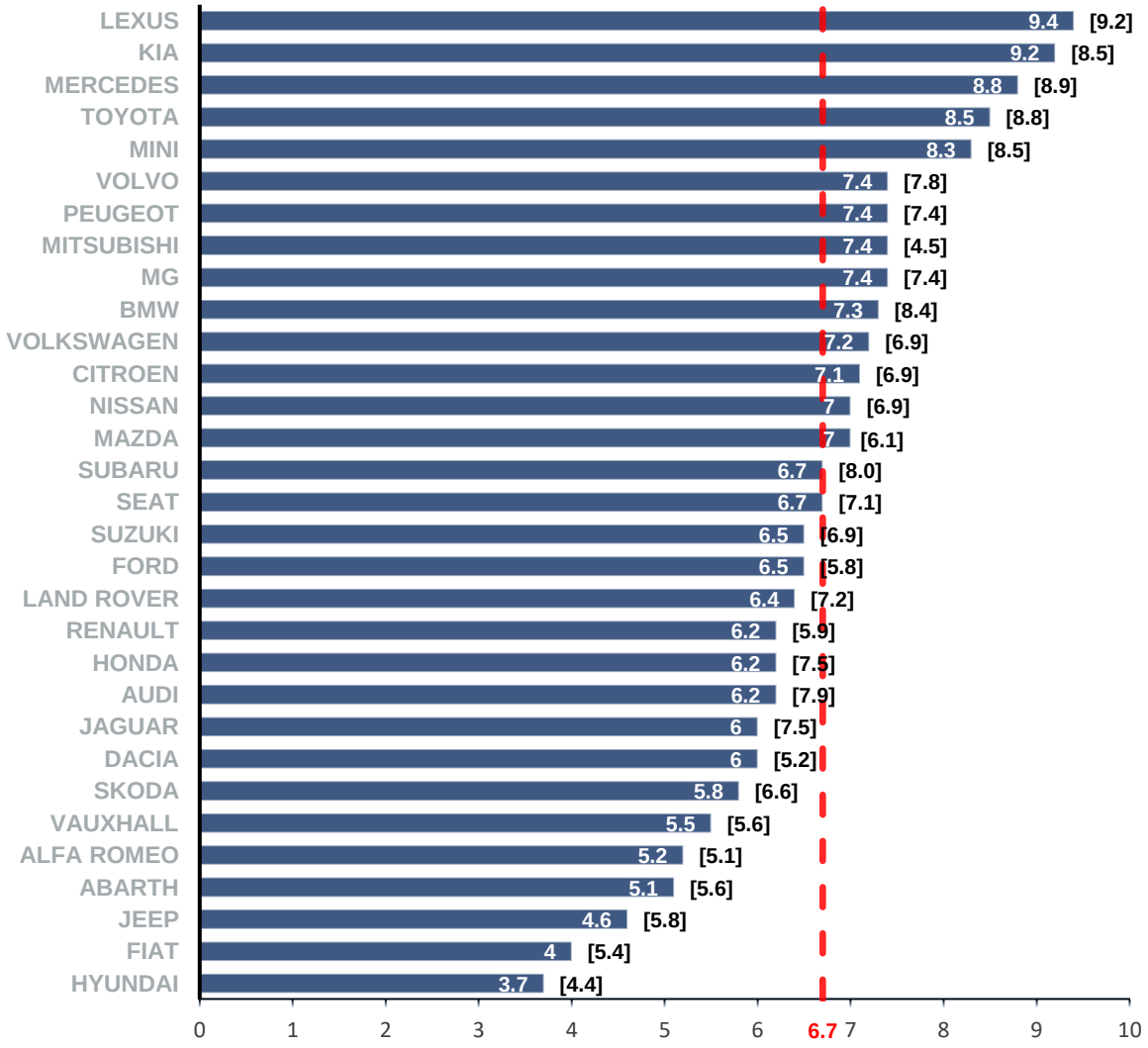
Biggest improvement:	Mazda / Land Rover	+1.3 points
Largest decline:	Jeep	-1.4 points
Average score:		6.2 points
Previous average:		6.2 points

Summary

In this area where dealers evaluate the standard and performance measures used by manufacturers, the dealer average score remained the same at 6.2 points. There were 21 ratings above 5.0; 18 ratings decreased from their winter score, 12 were higher and 1 remained the same.

Training

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



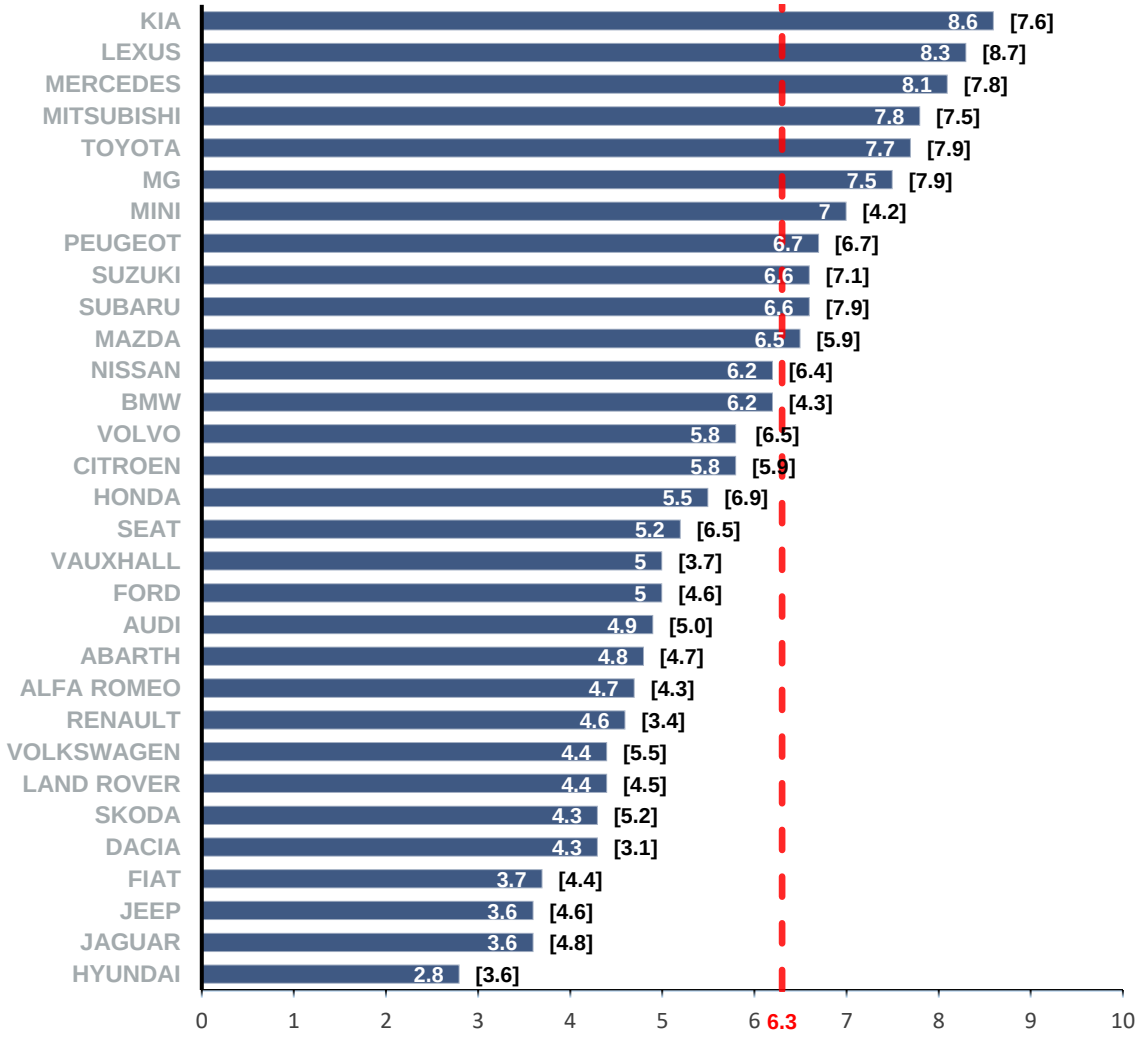
Biggest improvement:	Mitsubishi	+2.9 points
Largest decline:	Audi	-1.7 points
Average score:		6.7 points
Previous average:		6.8 points

Summary

Retailers continued to be satisfied with the quality of their manufacturers' training programme with the average score remaining high at 6.7 points. This is one of the highest scores across the survey. The high score was reflected through 28 of the respondents rating above 5.0. In general, 11 networks saw an improvement from the previous survey, 18 declined and 2 remained the same.

Training

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



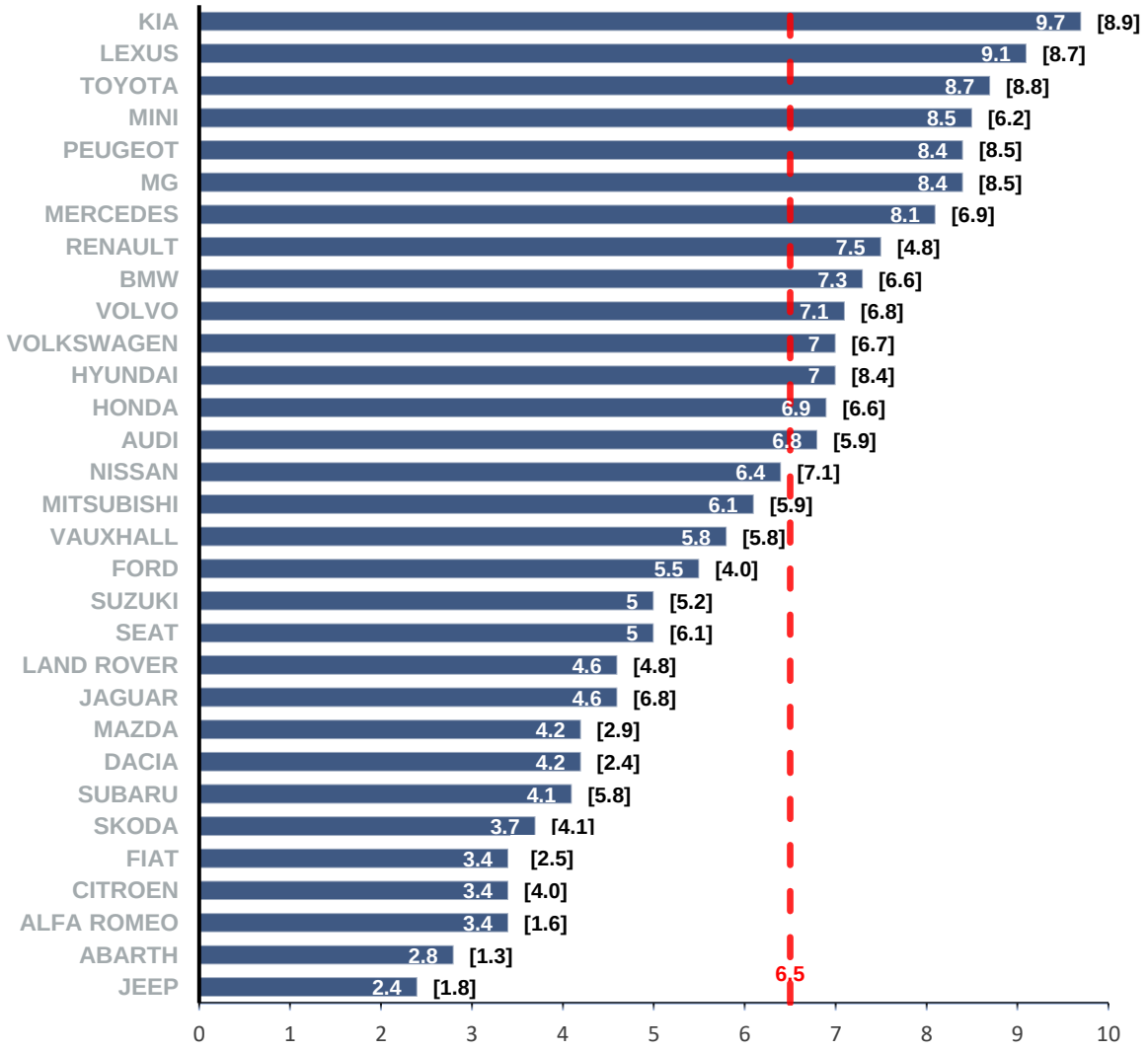
Biggest improvement:	Mini	+2.8 points
Largest decline:	Honda	-1.4 points
Average score:		6.3 points
Previous average:		5.8 points

Summary

The average dealers' satisfaction with the cost of their manufacturers' training rose by 0.5 points to 6.3. There were 17 ratings above 5.0 and 14 on or below. There were 12 dealer networks that saw their levels of satisfaction increase, while 18 declined, and 1 did not change.

Future directions

How satisfied are you with the alternative fuel vehicle offering?



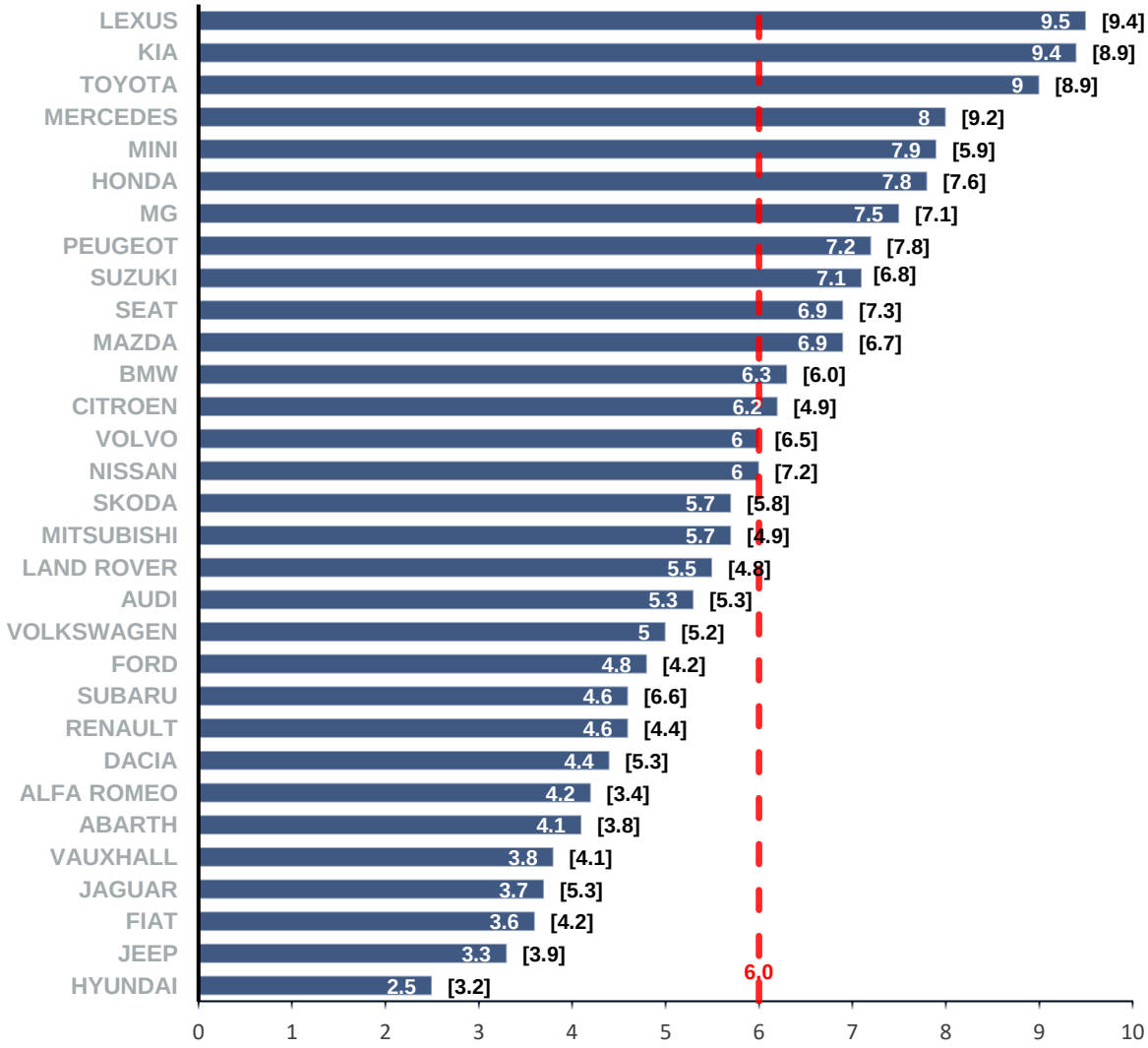
Biggest improvement:	Renault	+2.7 points
Largest decline:	Jaguar	-2.2 points
Average score:		6.5 points
Previous average:		5.9 points

Summary

The average dealers' satisfaction with their manufacturers' alternative fuel vehicle offering continued its upward trend, up by 0.6 points from 6 months ago. There were 18 responses above 5.0 and 13 on or below. There were 18 responses that increased, with 12 declining and 1 remaining the same.

Overall scores

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



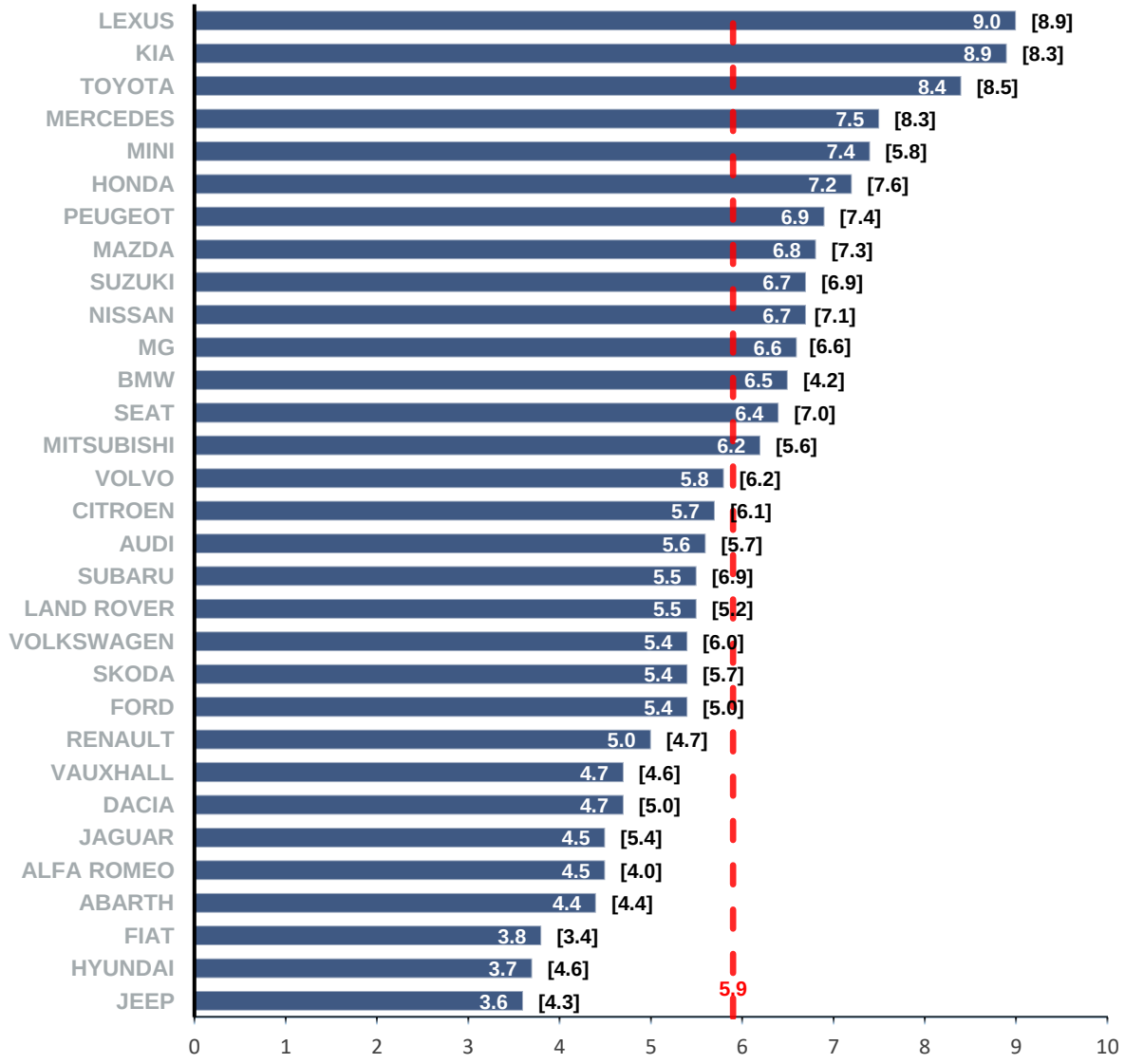
Biggest improvement:	Mini	+2.0 points
Largest decline:	Subaru	-2.0 points
Average score:		6.0 points
Previous average:		5.9 points

Summary

The average score given to the all-important question *how would you rate your manufacturer overall*? Increased again, this time by 0.1 points from the previous survey, to a score of 6.0. A total of 19 ratings were above 5.0, with 12 on or below. Overall, 14 ratings declined, 16 improved, and 1 remained the same.

Overall scores

Average score across all questions



Biggest improvement:	BMW	+2.3 points
Largest decline:	Subaru	-1.4 points
Average score:		5.9 points
Previous average:		6.1 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 decrease of 0.2 points compared to six months ago, with an overall average score of 5.9 points. Over two-thirds of the dealer networks surveyed gave scores above 5.0.

NFDA

NATIONAL FRANCHISED DEALERS ASSOCIATION

201 Great Portland Street, London, W1W 5AB
T: 0207 5809 1222 E: nfda@rmif.co.uk
www.nfda-uk.co.uk