

China Dealers Must Improve Capabilities as Digital After-Sales Services Increase, J.D. Power Finds

Audi and Dongfeng Yueda Kia Rank Highest in Luxury and Mass Market Brands, Respectively

SHANGHAI: 5 Nov. 2020 — Although dealers in China now utilize digital tools in multiple processes of after-sales services, digital service capabilities throughout the entire after-sales process are yet to be improved, according to the J.D. Power 2020 China Customer Service Index (CSI) Study,SM released today. Automakers and dealers need to reinforce digital service capabilities to improve dealer efficiency as well as the customer experience.

The China Customer Service Index (CSI) Study, now in its 20th year, measures satisfaction with after-sales service at authorized dealers in the past 12 months among owners of one- to four-year-old vehicles.

"Thanks to the digitalization in after-sales service, dealer efficiency and the customer experience have been greatly improved, but they are not fully optimized and fully utilized," said **Ann Xie, senior director of the digital retail consulting practice at J.D. Power China**. "We have found that 58% of dealer facilities are digitalized, but only 29% of reservations are conducted using with digital tools. The lack of continuity in digitalization across entire service processes will negatively affect the customer experience and overall satisfaction.

"Strengthening digital service capability is never easy," Xie said. "Automakers and dealers must connect the separate sources of information throughout the service processes and among different systems, in order to provide smarter services and ultimately benefit customers. It is equally important to proactively send service notifications or reminders and cultivate customers' habits of using digital tools."

Following are additional findings of the 2020 study:

- **Overall customer satisfaction for luxury brands higher than mass market brands:** Overall satisfaction for the industry is 747 (on a 1,000-point scale) this year. Satisfaction for luxury brands (774) is 32 points higher than for mass market brands (742).
- **Korean brands rank highest and gap between Chinese domestic brands and international brands narrows:** Customer satisfaction for Korean brands (761) is higher than for all other brands and improves by five points compared with 2019. European brands and Chinese domestic brands have made the biggest progress this year, and Chinese domestic brands have further narrowed the gap with other brands.
- **Higher satisfaction tied to higher repurchase rate:** Nearly one-third (32%) of vehicle owners with high customer satisfaction purchased the same brand as their previous vehicle, which is about 1.7 times the rate of owners with low satisfaction (19%).
- **Customer use of digital services remains low:** The use rate of some digital tools is low. For example, 23% of owners check the service process via a monitor and 22% check it via an electric billboard, while 15% of owners check the process via WeChat or apps of automakers/dealers. However, 61% of customers are informed of the service process by dealer staff.

Study Rankings

Audi ranks highest in customer service satisfaction among luxury brands with a score of 797. **Land Rover** (779) ranks second and **BMW** (777) ranks third.

Dongfeng Yueda Kia ranks highest in customer service satisfaction among mass market brands with a score of 779. **GAC FCA Jeep** (766) ranks second and **GAC Honda** (764) ranks third. **GAC Trumpchi** (760); **Geely** (753); **BAIC Senova** (744); and **WEY** (744) are the four domestic brands that rank above the mass market average score.

The China Customer Service Index (CSI) Study measures customer satisfaction based on six key factors: service team (20%); welcome & diagnostic (17%); service facility (17%); service quality (16%); service reservation (15%); and service value (15%).

The 2020 China Customer Service Index (CSI) Study is based on responses from 32,702 vehicle owners in 70 major cities who purchased their new vehicle between March 2016 and July 2019. The study was fielded from March through August 2020.

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Media Relations Contacts

Damon Liu, J.D. Power; China; +86 21 8026 5721; damon.liu@jdpa.com

Geno Effler, J.D. Power; USA; 001-714-621-6224; media.relations@jdpa.com

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NOTE: Two charts follow.

J.D. Power 2020 China Customer Service Index (CSI) StudySM

Luxury Brands

(Based on a 1,000-point scale)



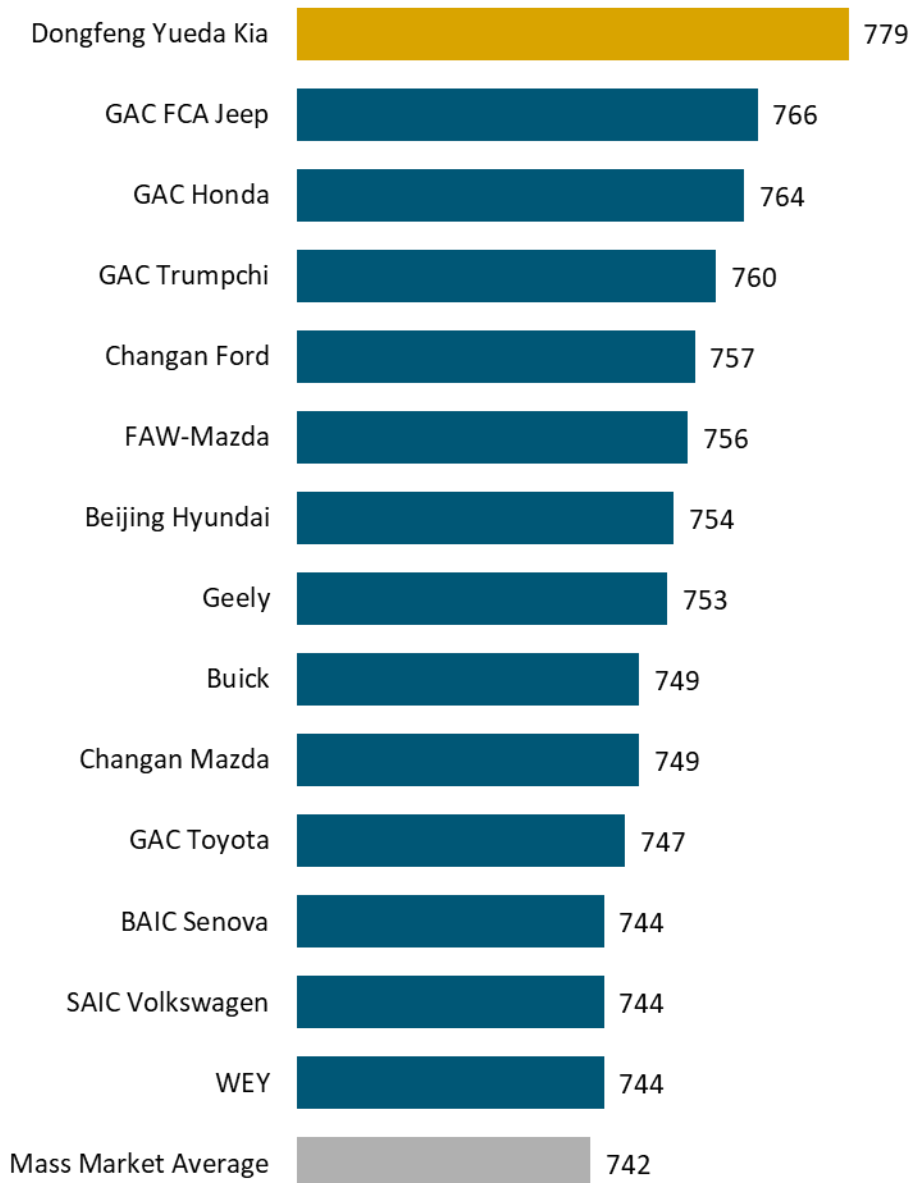
Source: J.D. Power 2020 China Customer Service Index (CSI) StudySM

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J.D. Power 2020 China Customer Service Index (CSI) StudySM

Mass Market Brands

(Based on a 1,000-point scale)



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