

China's Car Owners Embrace Digital and Expect Quality Experience in After-Sales Service, J.D. Power Finds

Audi and Changan Ford Rank Highest in Customer Satisfaction

BEIJING: 31 July 2018 — While dealers in China are making efforts to bring their services online through various digital channels to satisfy and retain their customers, they continue to face challenges in delivering an effective and positive customer experience, according to the J.D. Power 2018 China Customer Service Index (CSI) Study,SM released today.

The study finds that vehicle owners are more satisfied (increase of 45 points on a 1,000-point scale) when a tablet device is used by the service advisor during their visit than when a tablet is not used. Additionally, service advisor satisfaction is higher among customers who were informed of the service progress by mobile app than among those who were informed by a call from the dealer or waited for service to be completed.

“There’s no doubt that a digital experience today is playing an increasingly important role in improving the customer experience and satisfaction. It is no longer a ‘nice to have’ feature, but a ‘must have.’ Dealers need to engage their customers across multiple digital channels and digital touch points,” said **Jacob George, Vice President and General Manager, J.D. Power Asia Pacific.**

Dealers, though trying, are struggling to provide customers with a user-friendly digital experience. According to the study, 40% of vehicle owners indicate having experienced problems scheduling an appointment by website/ app, such as preferred time not available (13%); reservation conditions are too restrictive (14%); and website/ app is too difficult to use (14%).

“There’s still a gap between merely deploying digital technologies and actually using them to improve customers’ experiences, address their needs and meet their expectations. That explains why very few vehicle owners in China have tried digital channels to schedule dealer services so far, despite the high satisfaction level that using them brings,” George noted. Study findings show that only 13% of owners scheduled their last service visit via digital channels, while 59% chose to call for an appointment.

Following are additional findings of the study:

- **Overall customer satisfaction slightly increases:** The 2018 China Customer Service Index score for the industry (710) is 2 points higher than last year. Luxury brands have improved the most (+4 points), compared with mass market brands (+1). The CSI score for Chinese domestic brands is 688, which is the same as in 2017.
- **Authorized dealers are losing customers and revenues:** Among customers whose last visit for service was with a non-authorized dealership, 61% of the vehicles are still under warranty, compared with 54% in 2017. Vehicle owners’ annual expenditures on

maintenance/ repair at authorized dealerships has decreased to RMB 1,956 (USD 291) from RMB 2,450 (USD 365) in 2017.

- **Customer satisfaction with non-authorized dealership improves:** Non-dealer's advantages in convenience, speedy service, competitive price and gradually improved service have been earning trust from vehicle owners. Customer satisfaction with non-chain street quick service center, auto salon and parts service store has increased by 0.67 points (on a 10-point scale), 0.36 points and 0.28 points, respectively, from 2017.

Study Rankings

Audi ranks highest in satisfaction with dealer service among luxury brands, with a score of 774. **Porsche** (767) ranks second and **Cadillac** (759) ranks third.

Changan Ford ranks highest in satisfaction with dealer service among mass market brands, with a score of 737. Changan Ford is followed by **Volkswagen** (735) and **Beijing Hyundai** (730). **Roewe** (720), **Geely** (719) and **BAIC Senova** (715) are the three domestic brands to rank among the top 10 mass market brands.

The China Customer Service Index (CSI) Study, now in its 18th year, delivers a comprehensive analysis of vehicle owners' service experiences and measures customer satisfaction with their dealer service by examining five key measures: service initiation (21%); service advisor (19%); service quality (22%); service facility (20%); and vehicle pick-up (18%).

The study, which examines 61 passenger-vehicle brands, is based on data collected from 46,430 new-vehicle owners who purchased their vehicle between November 2013 and May 2017. The study was fielded between November 2017 and May 2018 in 67 major cities in China.

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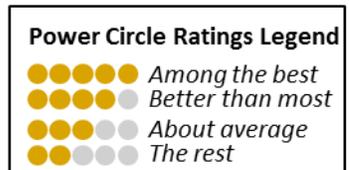
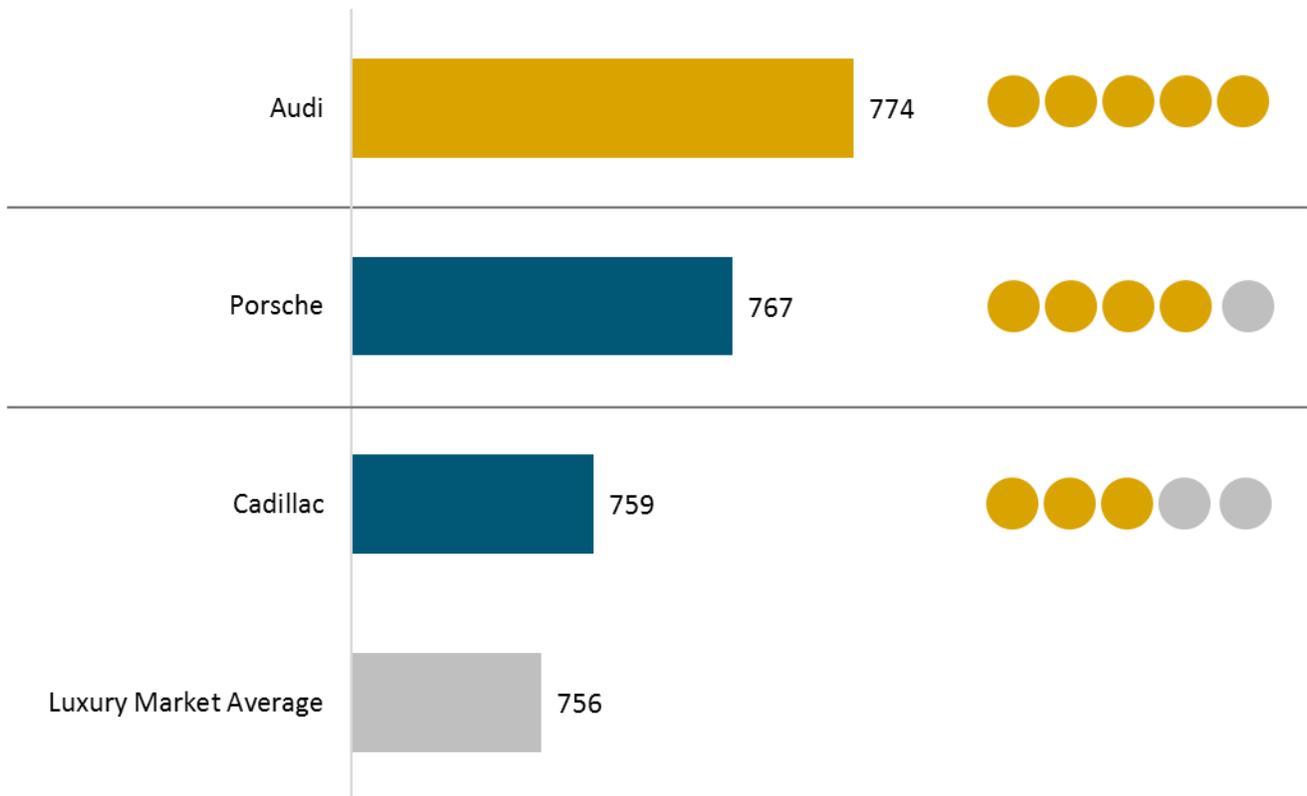
NOTE: Two charts follow.

J.D. Power 2018 China Customer Service Index (CSI) StudySM

Luxury Market Brands

(Based on a 1,000-point scale)

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Source: J.D. Power 2018 China Customer Service Index (CSI) StudySM

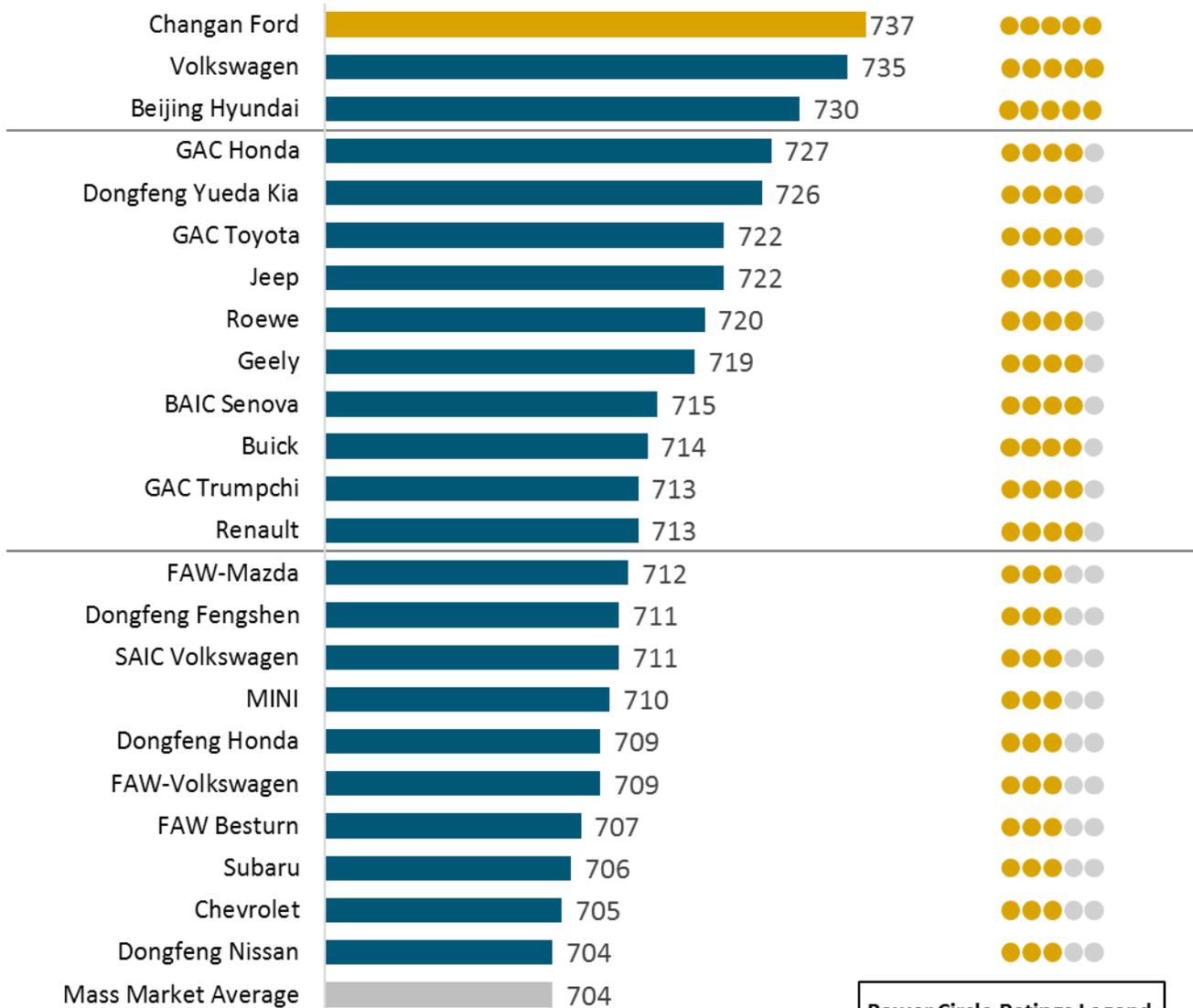
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Mass Market Brands

(Based on a 1,000-point scale)

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Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

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