



NFDA

NATIONAL FRANCHISED DEALERS ASSOCIATION



Dealer Attitude Survey

Winter 2017/2018

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Introduction

We are pleased to present the findings of the NFDA Dealer Attitude Survey Winter 2017/2018. The survey was conducted in January 2018 and asked the views of franchised dealers about their on-going relationship with their respective manufacturers.

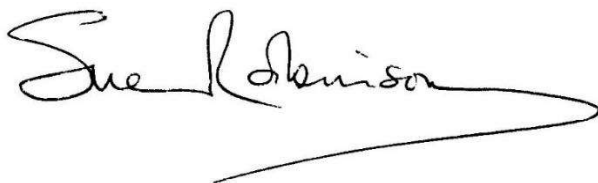
The NFDA, which represents franchised car dealers in the UK, carries out the Dealer Attitude Survey on a twice-yearly basis. The results show the general health of the dealer/manufacturer relationship, indicate potential difficulties and highlight where there are strong and constructive working relationships. The report allows us to see where these have changed and developed.

As with previous surveys, respondents 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 29 franchised networks and received 1,893 responses from dealers, equating to a 47% response rate, the highest response rate since the inception of the survey in 1989.

This report is a summary of the results of the Dealer Attitude Survey Winter 2017/2018. It features a number of new questions which were included in this edition of the survey for the first time. The charts and analysis on the following pages give an overview of the findings and look at key aspects of the dealer/manufacturer relationship. A full version of the report is available on request.

Sue Robinson

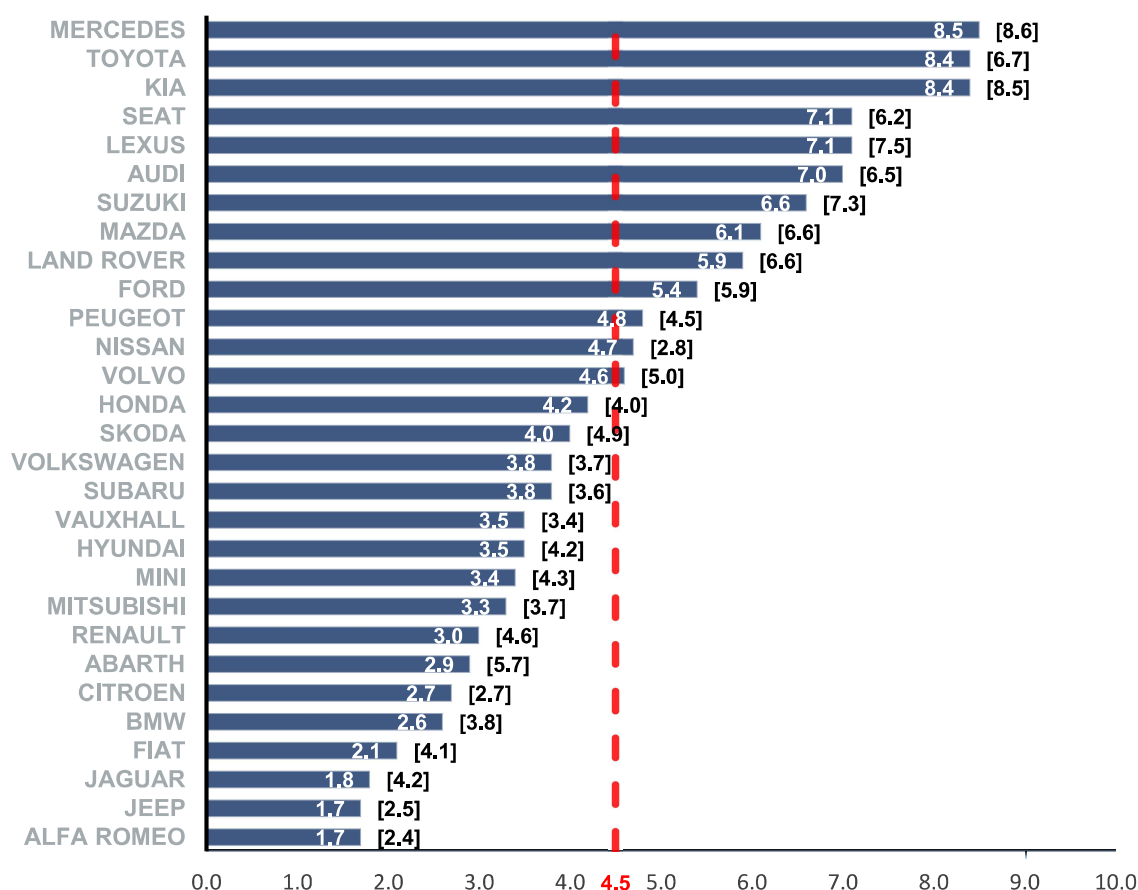
Director, National Franchised Dealers Association



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 = Winter 2017/2018

Figures in black = Summer 2017

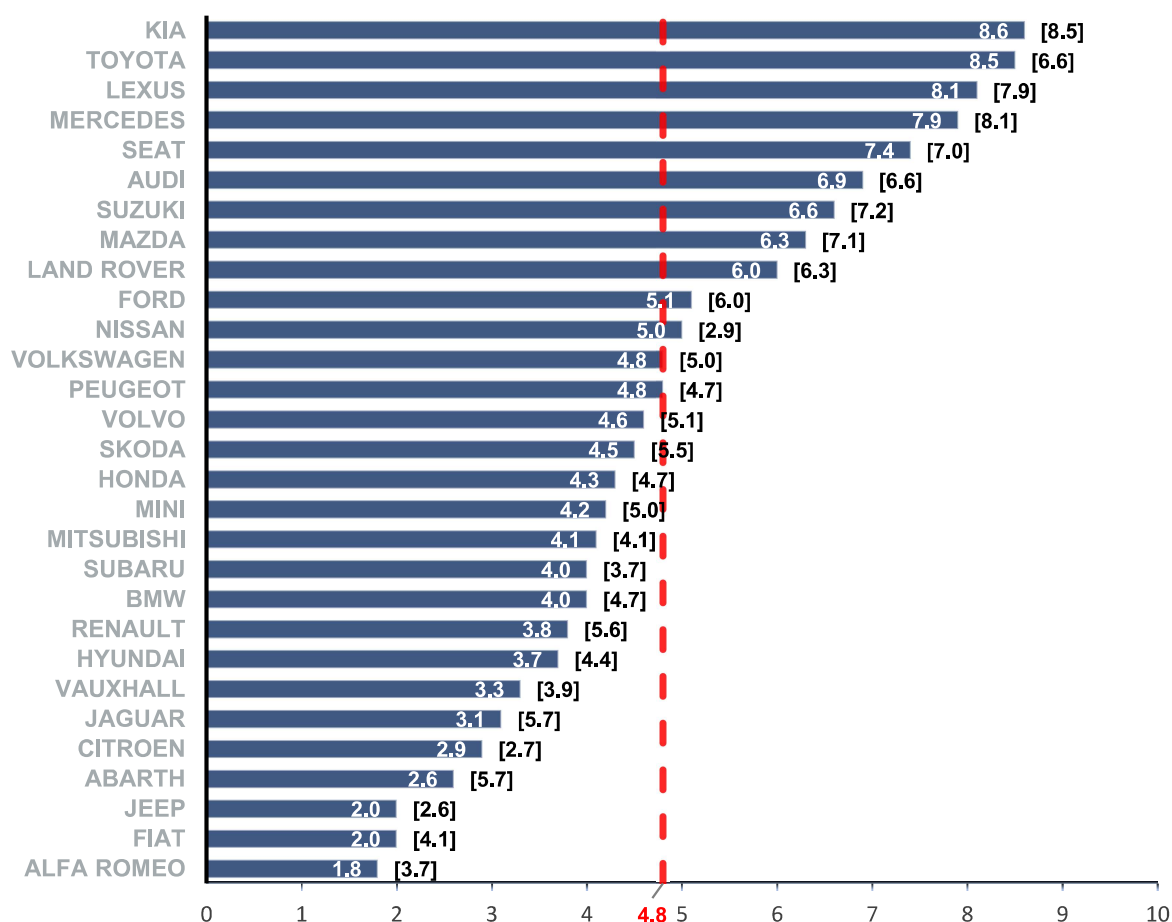
Top performer:	Mercedes	8.5 points
Bottom performer:	Alfa Romeo	1.7 points
Most improved:	Nissan	+1.9 points
Biggest decline:	Abarth	-2.8 points
Average score:		4.5 points

Summary:

With 10 responses out of 29 better than neutral (5.0), the average response rate decreased by -0.3 points from 4.8 to 4.5 compared to the previous survey. Only 9 dealer networks saw their level of satisfaction increase, whilst 19 saw a decrease and one remained the same.

Profit return

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



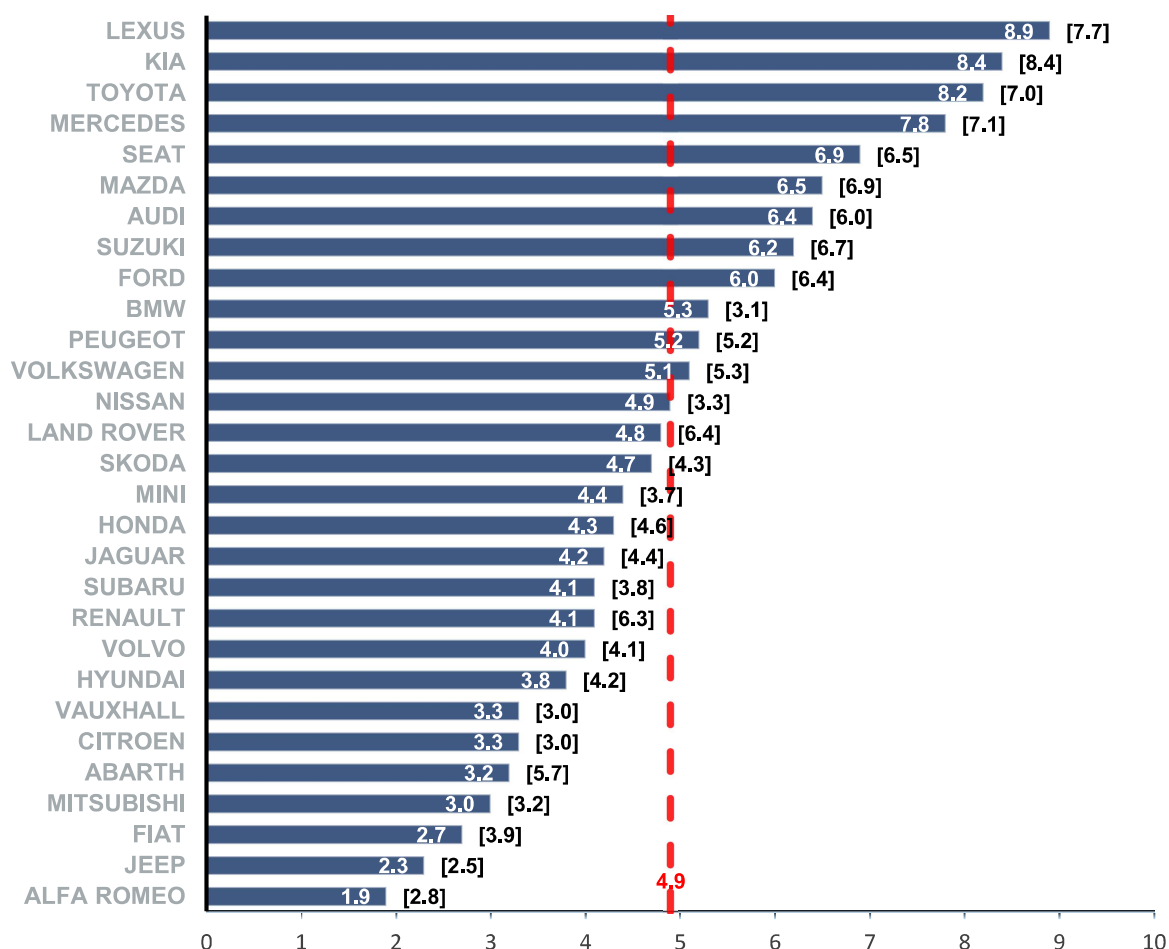
Top performer:	Kia	8.6 points
Bottom performer:	Alfa Romeo	1.8 points
Most improved:	Nissan	+2.1 points
Biggest decline:	Abarth	-3.1 points
Average score:		4.8 points

Summary:

Dealers showed more satisfaction with their predicted future profit than their current one, with 11 out of 29 networks scoring above the neutral score of 5.0. The average score was 4.8, - 0.4 points lower than the last survey. Of the dealer networks surveyed, 19 saw their levels of satisfaction decrease, 9 increased and one did not change.

Profit return

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



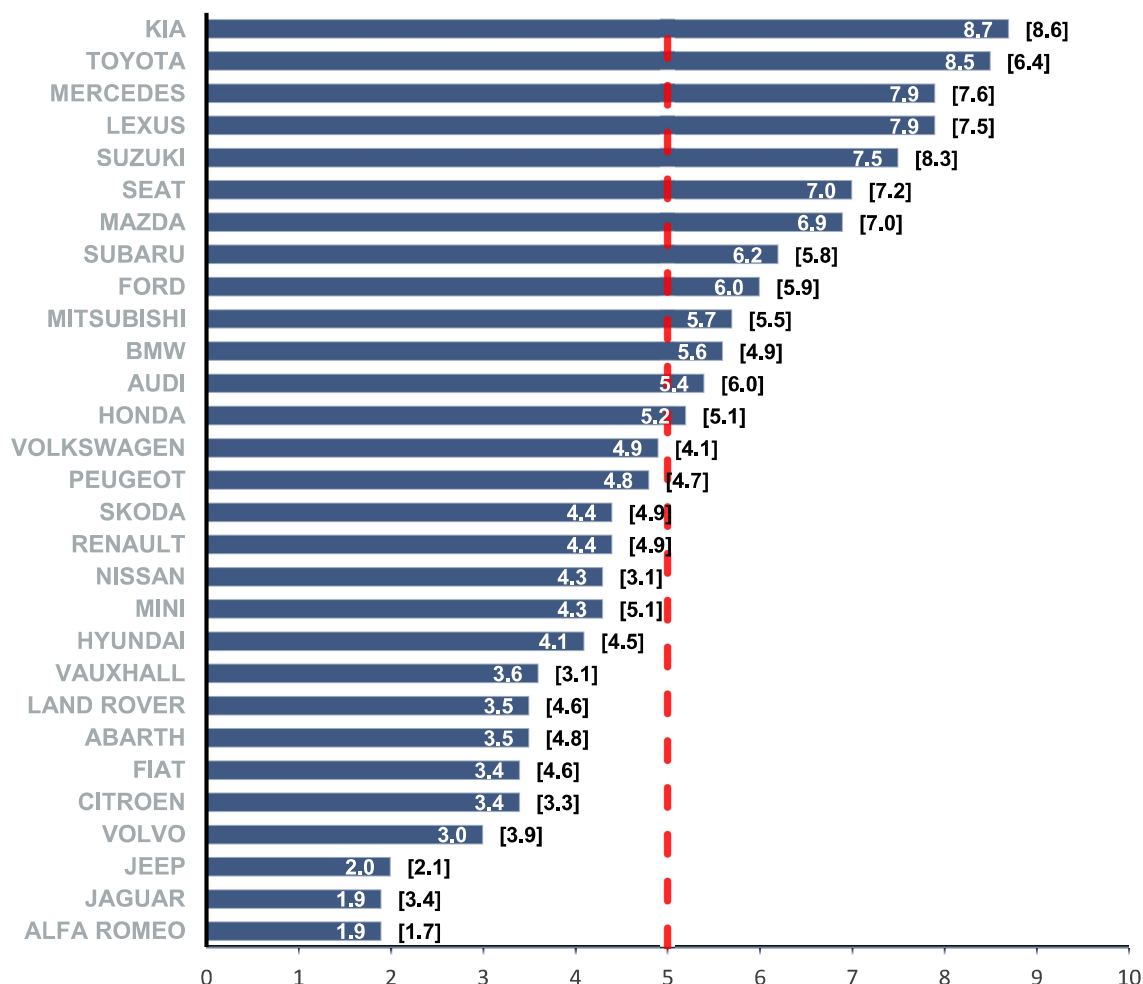
Top performer:	Lexus	8.9 points
Bottom performer:	Alfa Romeo	1.9 points
Most improved:	Nissan	+1.6 points
Biggest decline:	Abarth	-2.5 points
Average score:		4.9 points

Summary:

In respect to satisfaction with total margin on new vehicles, 16 dealer networks saw their score decline, 11 saw an increase and 2 remained static. Only 38% of networks responded with a score above the neutral point of 5.0 and the average rating fell marginally by -0.1 points from 5.0 to 4.9.

Return on investment

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



Top performer: Kia 8.7 points

Bottom performer: Alfa Romeo and Jaguar 1.9 points

Most improved: Toyota +2.1 points

Biggest decline: Jaguar -1.5 points

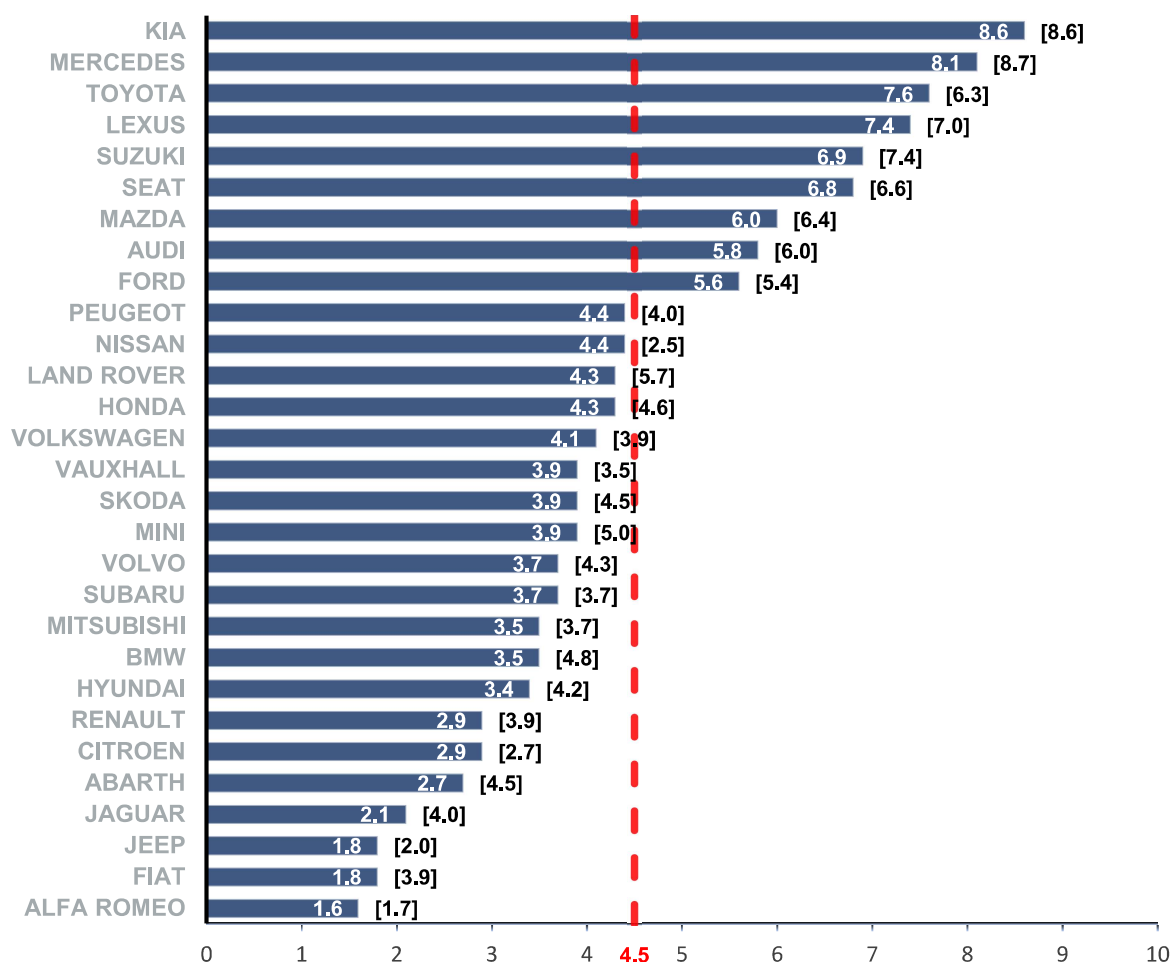
Average score: 5.0 points

Summary:

Of the dealer networks surveyed, 15 saw an increase and 14 fell in rating. Slightly less than half of the respondents (13 networks) gave a response better than the 5.0 neutral point. The average score across all dealers fell slightly by -0.1 points since the last survey.

Return on investment

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



Top performer: Kia 8.6 points

Bottom performer: Alfa Romeo 1.6 points

Most improved: Nissan +1.9 points

Biggest decline: Fiat -2.1 points

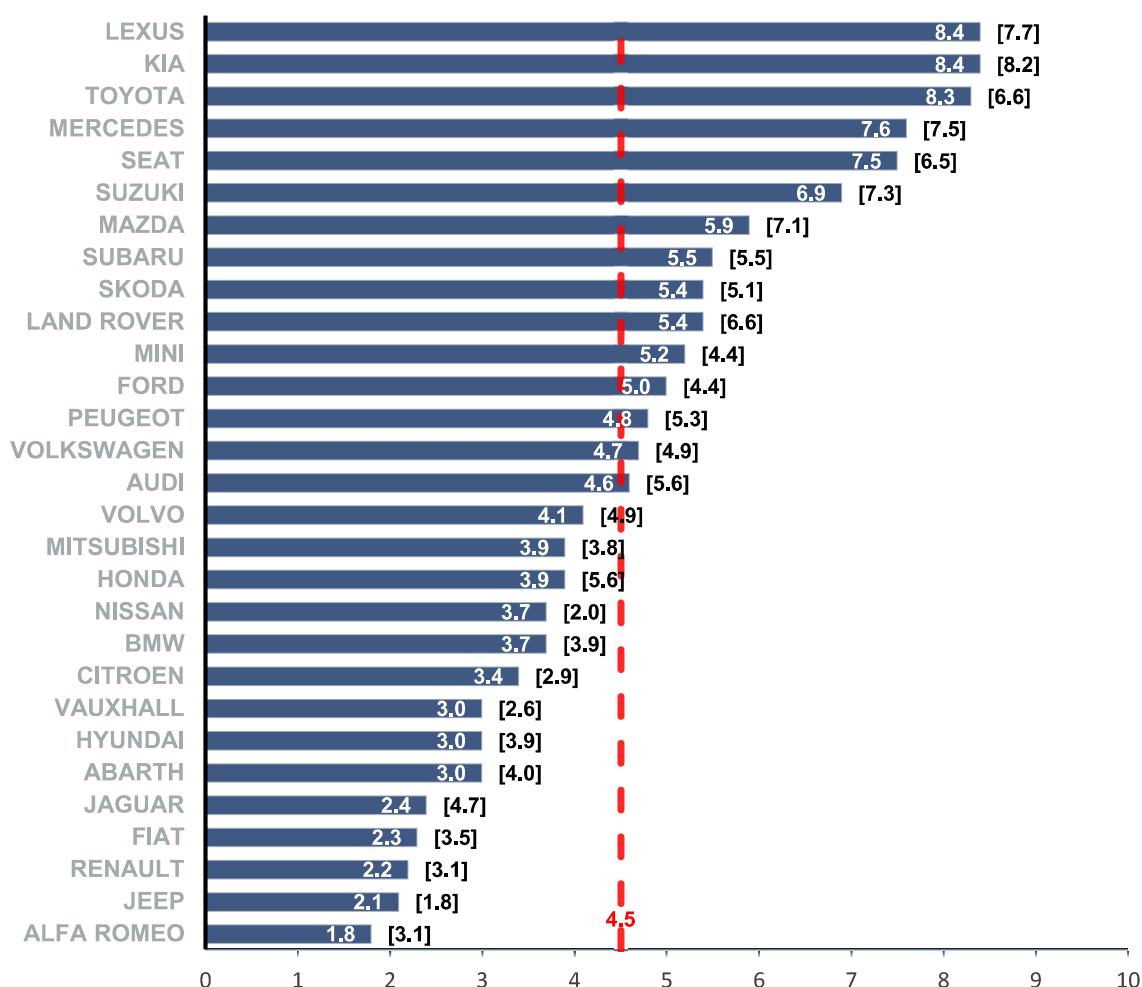
Average score: 4.5 points

Summary:

It is a little concerning to note that 62% (18) of networks responded with a fall in rating and 69% (20) scored below the all dealer average mark of 4.5 points. Only nine networks responded more positively and two remained static.

Targets

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



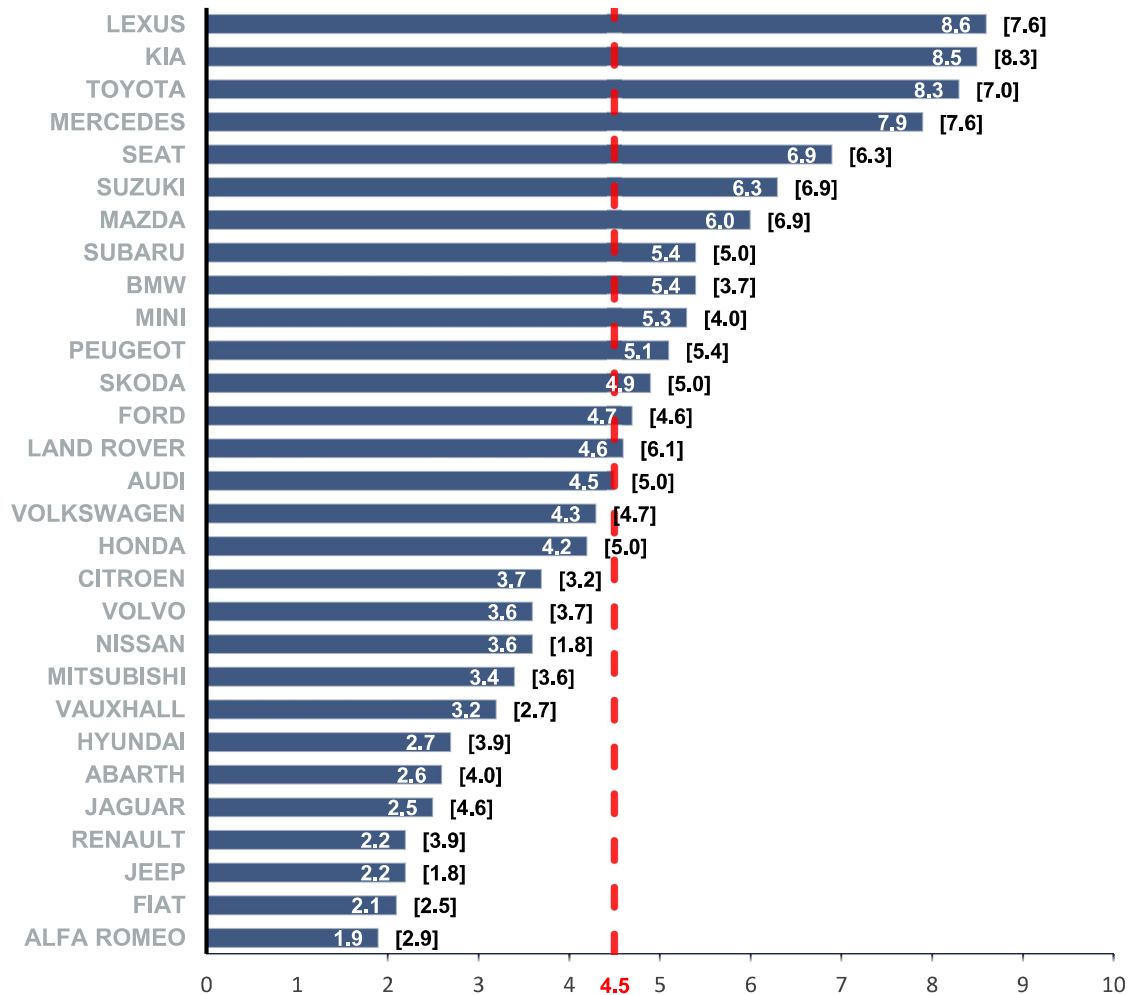
Top performer:	Kia and Lexus	8.4 points
Bottom performer:	Alfa Romeo	1.8 points
Most improved:	Nissan and Toyota	+1.7 points
Biggest decline:	Jaguar	-2.3 points
Average score:	4.5 points	

Summary:

Of the dealer networks surveyed, 16 saw their score decrease, whilst 12 improved and one was unchanged. Nearly half of the respondents (42%) scored above the 5.0 neutral point showing a level of satisfaction. The overall average score dropped by -0.3 points from 4.8 to 4.5.

Targets

How satisfied are you with your new car targeting process?



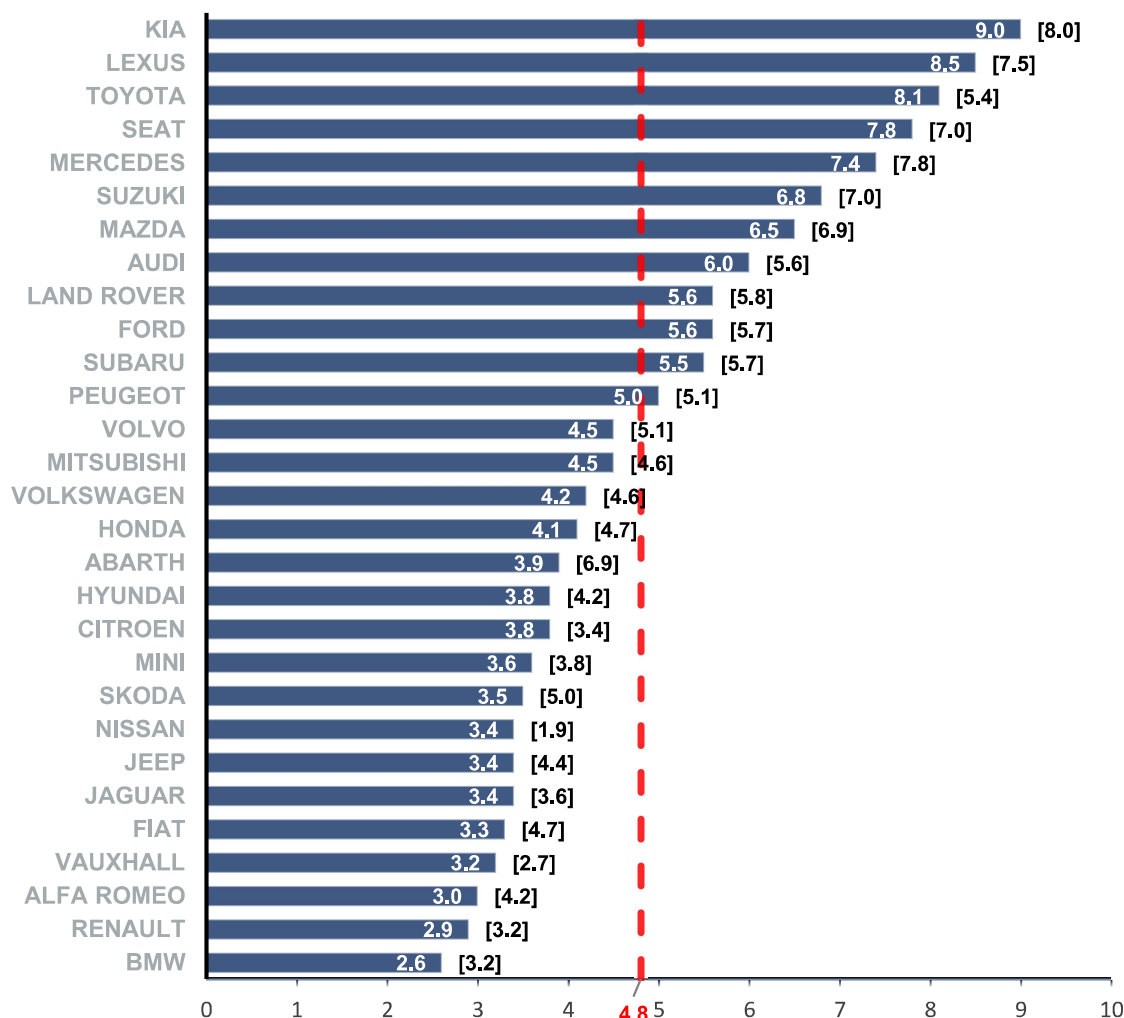
Top performer:	Lexus	8.6 points
Bottom performer:	Alfa Romeo	1.9 points
Most improved:	Nissan	+1.8 points
Biggest decline:	Jaguar	-2.1 points
Average score:	4.5 points	

Summary:

With regard to dealer satisfaction levels in respect to new car targeting processes, the average score was 4.5, down -0.2 points from the previous survey. 16 networks gave a more negative score, whilst 13 improved.

Self-registrations

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



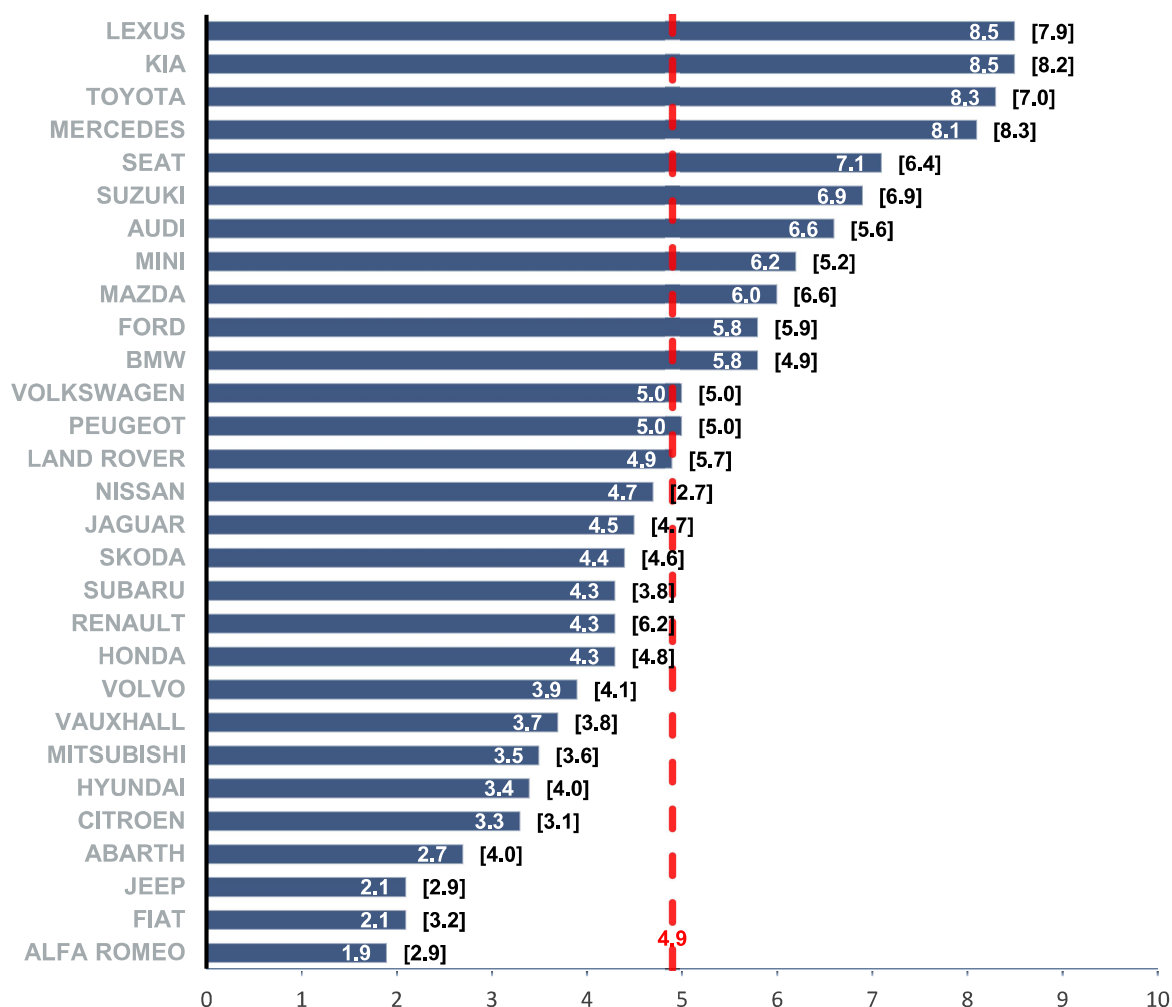
Top performer:	Kia	9.0 points
Bottom performer:	BMW	2.6 points
Most improved:	Toyota	+2.7 points
Biggest decline:	Abarth	-3.0 points
Average score:		4.8 points

Summary:

Manufacturer's inducement to self-register vehicles is clearly an issue for the 21 dealer networks who responded with a fall in rating since the Summer 2017 survey. Whilst there was no change to the all dealer average score of 4.8, 17 networks gave a score below this mark.

Incentives

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



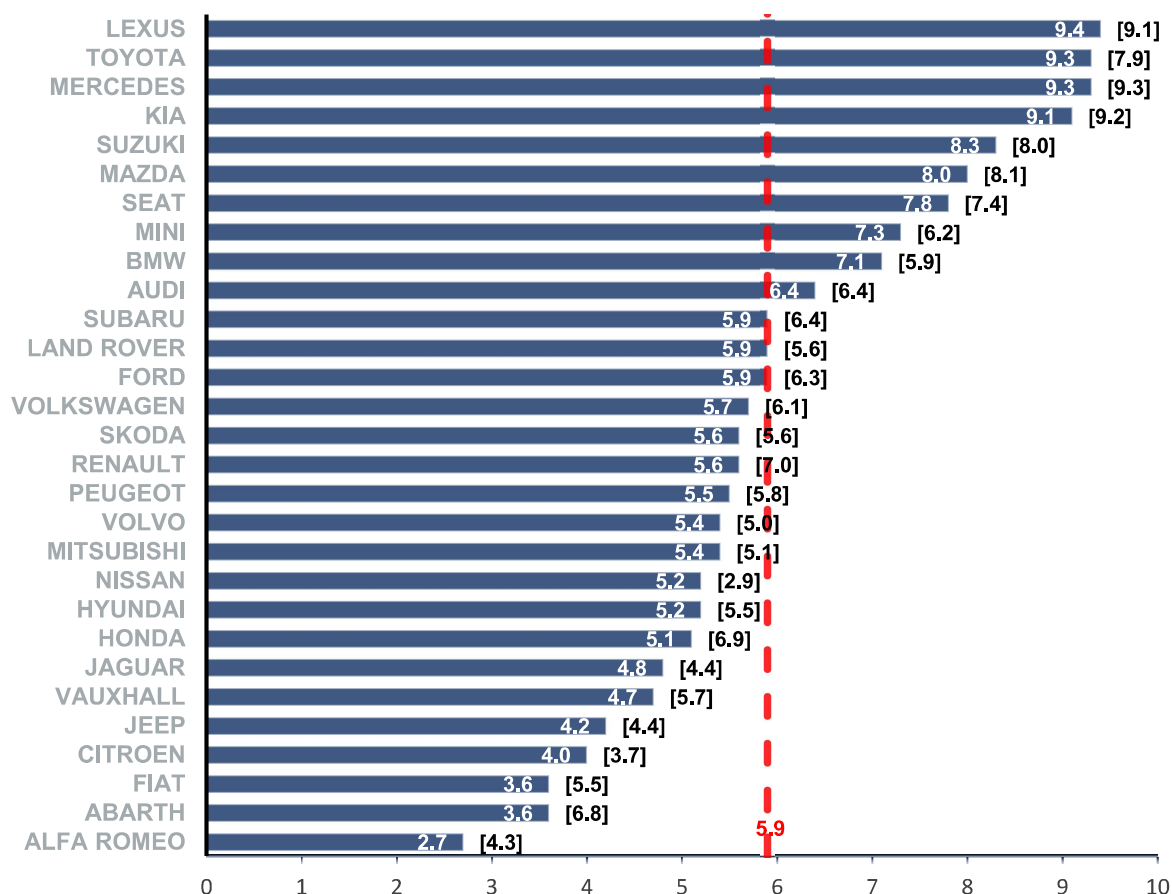
Top performer:	Kia and Lexus	8.5 points
Bottom performer:	Alfa Romeo	1.9 points
Most improved:	Nissan	+2.0 points
Biggest decline:	Renault	-1.9 points
Average score:		4.9 points

Summary:

The majority of networks (17/59%) saw a decrease in satisfaction with regard to their current bonus and rebate rates on new cars. Overall, nine networks saw their score increase, while three remained static, and 15 experienced a decline. The average score declined slightly by -0.1 points from 5.0 to 4.9.

Day-to-day working relationship

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



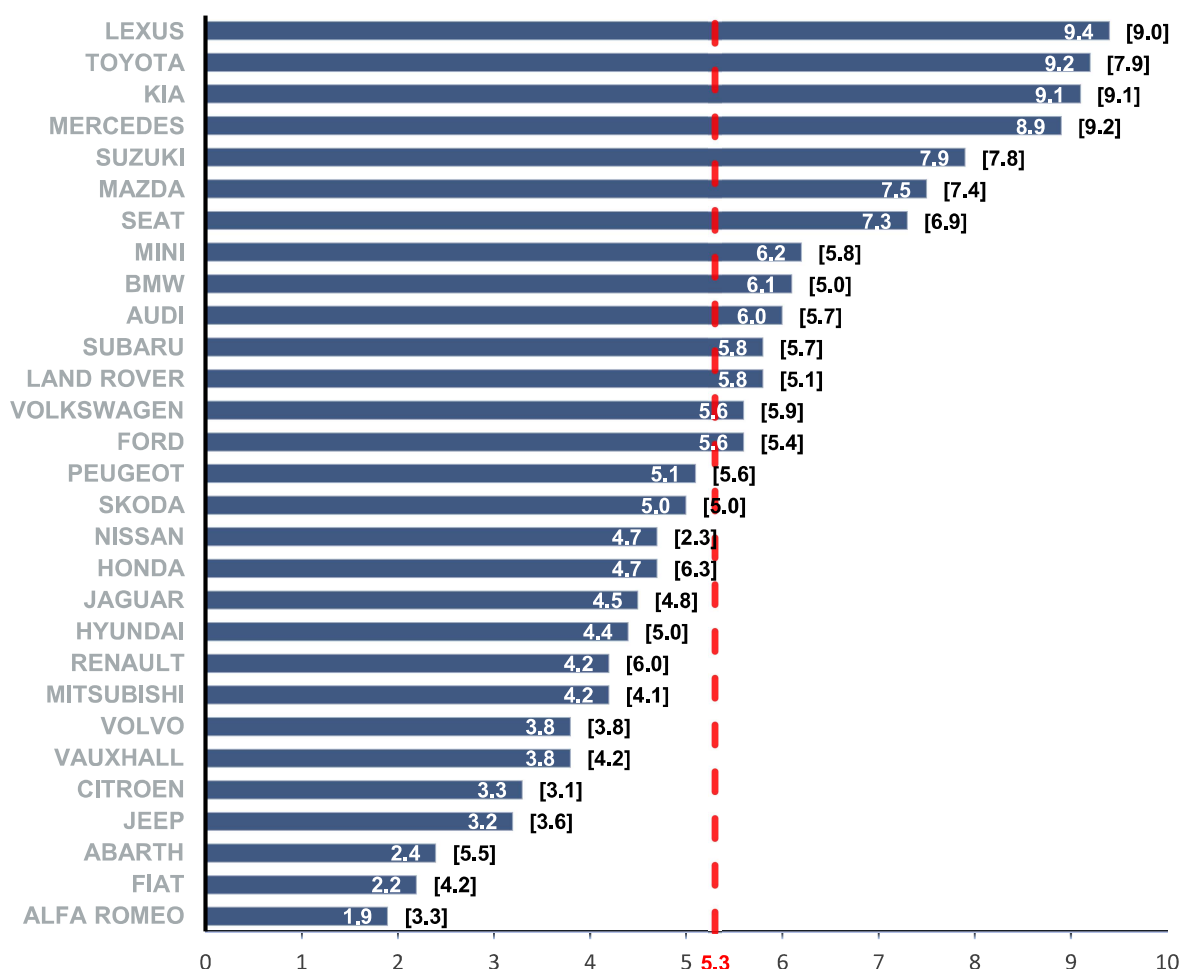
Top performer:	Lexus	9.4 points
Bottom performer:	Alfa Romeo	2.7 points
Most improved:	Nissan	+2.3 points
Biggest decline:	Abarth	-3.2 points
Average score:		5.9 points

Summary:

It is a crucial element of the manufacturer/dealer relationship to have the ability to do business on a day-to-day basis. Positively, 22 out of the 29 networks surveyed reported satisfaction levels above the 5.0 neutral point. Despite this, 14 networks responded more negatively and 16 fell below the average score of 5.9, which was down by -0.3 points since the Summer 2017 survey.

Day-to-day working relationship

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



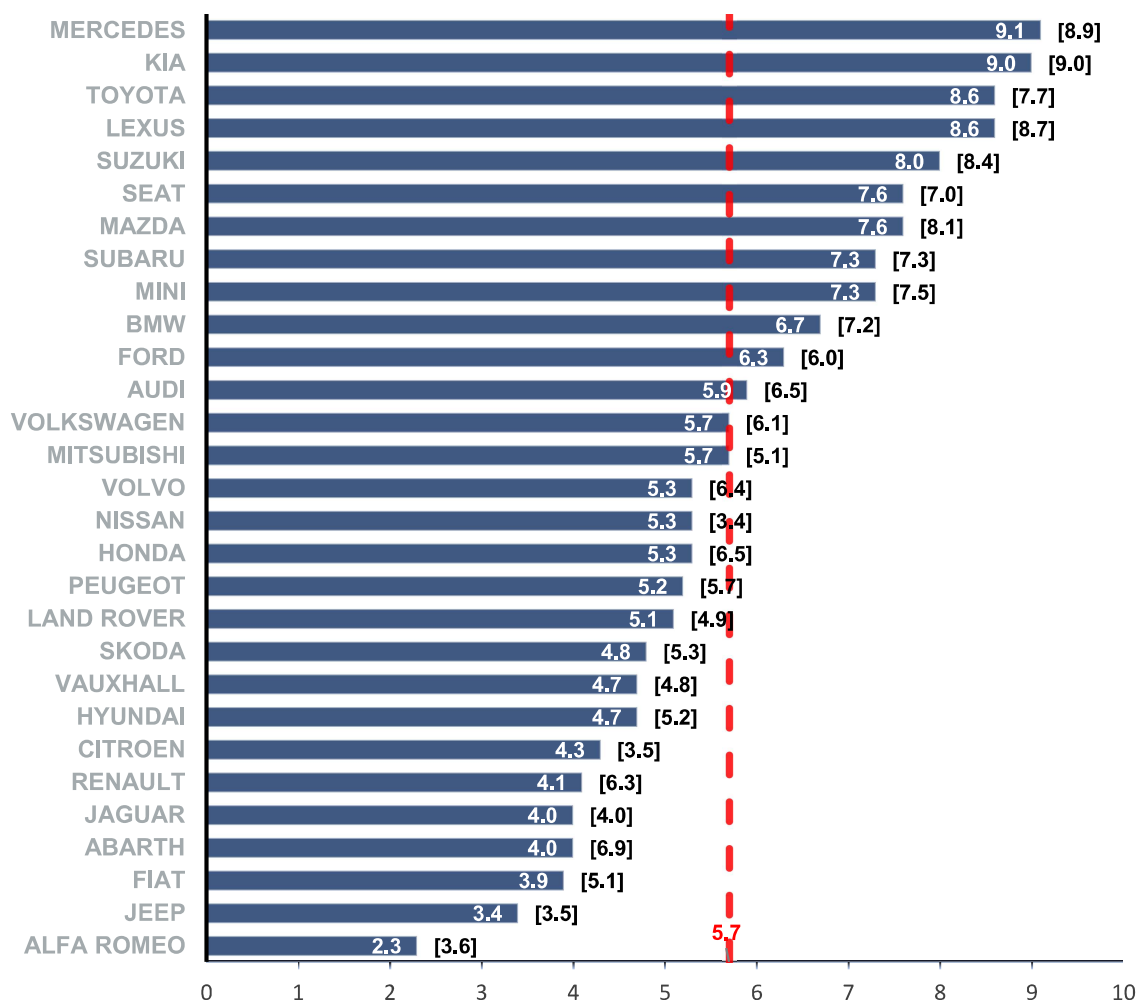
Top performer:	Lexus	9.4 points
Bottom performer:	Alfa Romeo	1.9 points
Most improved:	Nissan	+2.4 points
Biggest decline:	Abarth	-3.1 points
Average score:		5.3 points

Summary:

It is positive to see that the majority (16/55%) of networks scored on or above the 5.0 neutral point. However, the average score fell by -0.2 points from 5.5 to 5.3 and 12 dealer networks reported a decrease in rating since the last survey.

Standards and performance measures

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



Top performer: Mercedes 9.1 points

Bottom performer: Alfa Romeo 2.3 points

Most improved: Nissan +1.9 points

Biggest decline: Abarth -2.9 points

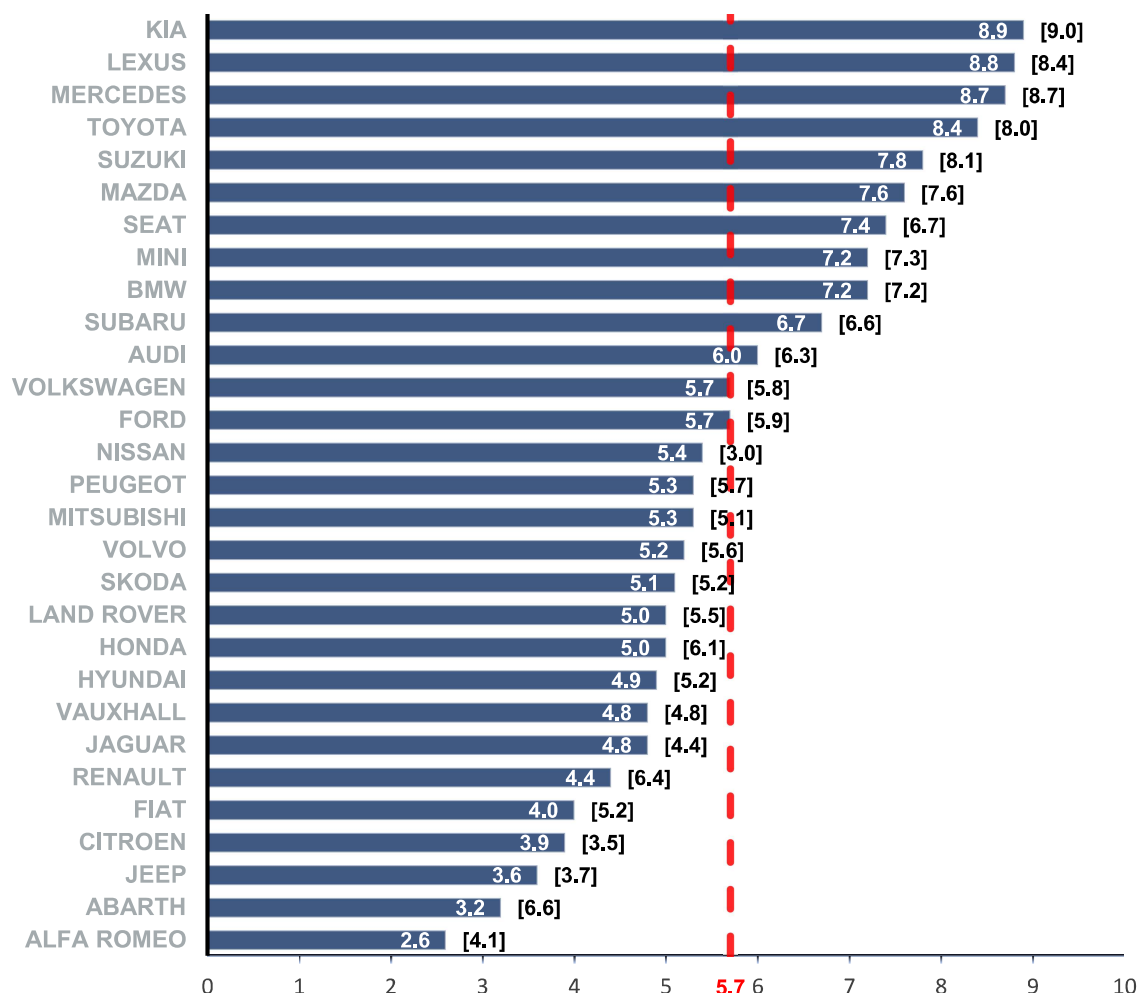
Average score: 5.7 points

Summary:

The fairness of manufacturer dealer standards is clearly of some concern to the 18 dealer networks that decreased their rating. Despite this, 19 franchises still gave a rating above the 5.0 neutral point. The average score of 5.7 was down by 0.3 points from the Summer 2017 survey.

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: Kia 8.9 points

Bottom performer: Alfa Romeo 2.6 points

Most improved: Nissan +2.4 points

Biggest decline: Abarth -3.4 points

Average score: 5.7 points

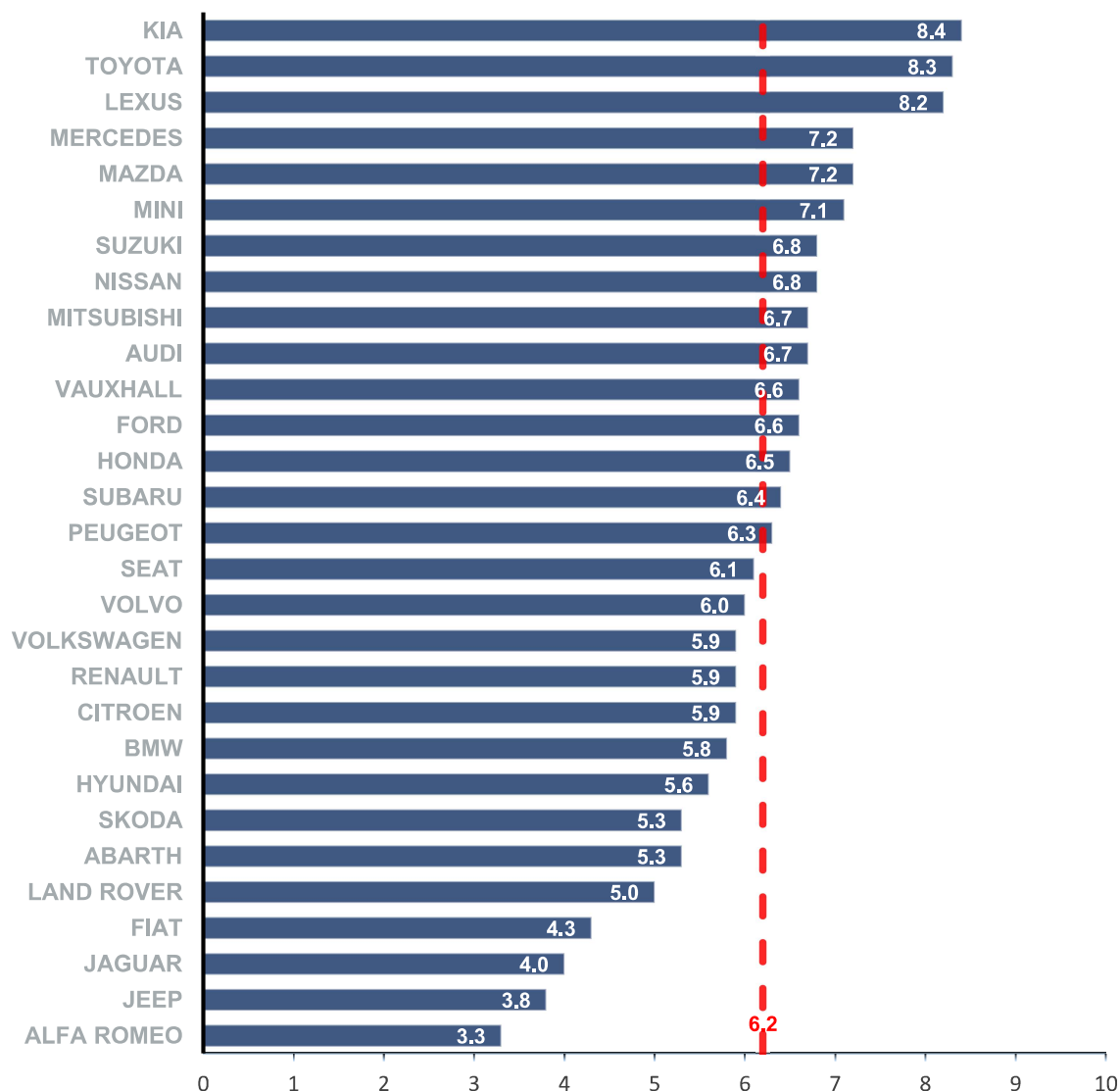
Summary:

Looking at the responses given in respect to manufacturer performance measures, 17 dealer networks responded with a lower score, eight increased their rating and four stayed the same. The all dealer average fell by -0.2 points from 5.9 to 5.7.

Used cars

NEW

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



Top performer: Kia 8.4 points

Bottom performer: Alfa Romeo 3.3 points

Average score: 6.2 points

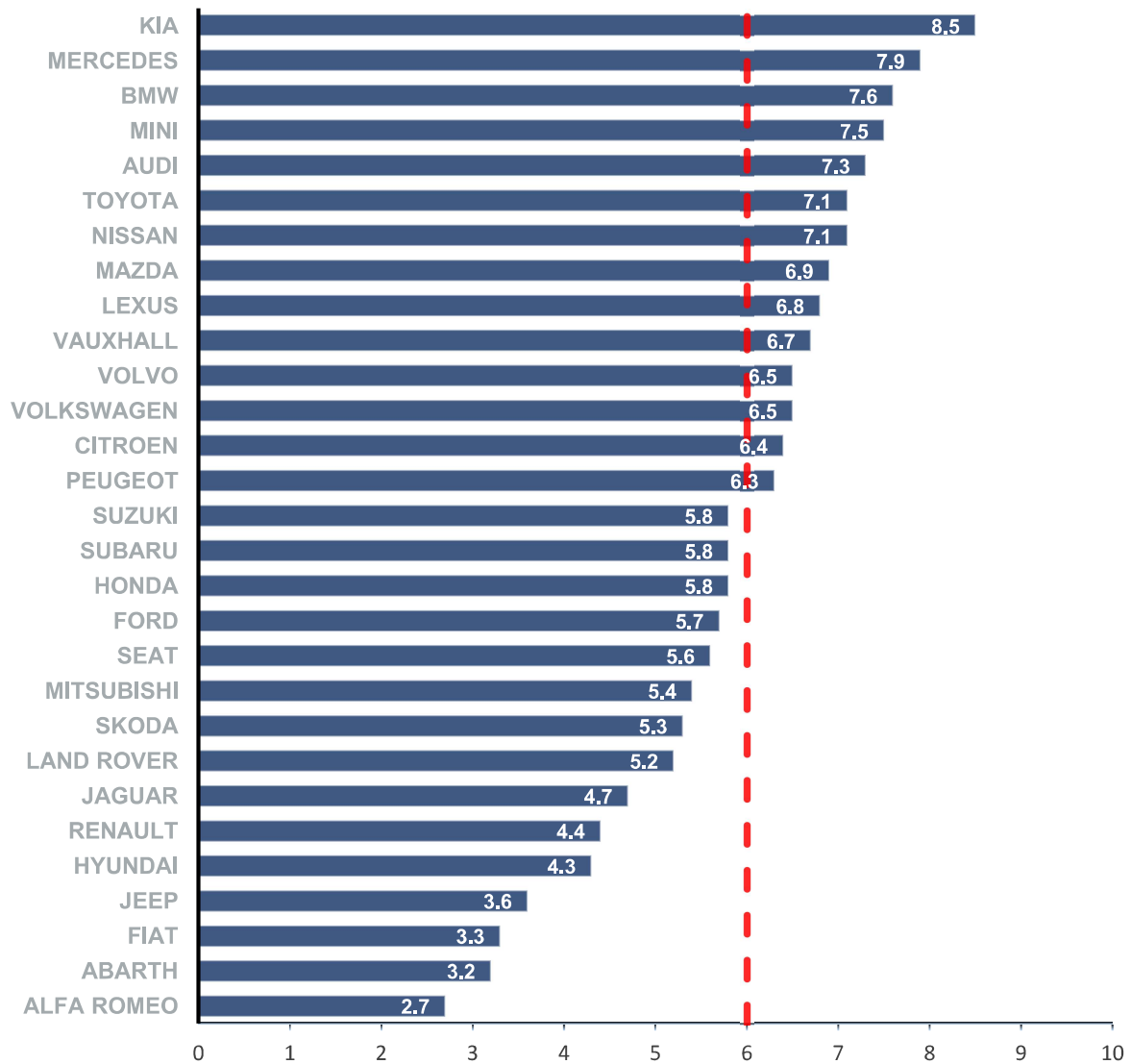
Summary:

This edition of the survey included a new section focusing on the used car environment. This question shows that, on average, dealers are fairly satisfied with their total margin on used car sales with an overall average score of 6.2 points. Positively, 25 out of 29 dealer networks gave a response above the neutral score of 5.0.

Used cars

NEW

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



Top performer: Kia 8.5 points

Bottom performer: Alfa Romeo 2.7 points

Average score: 6.0 points

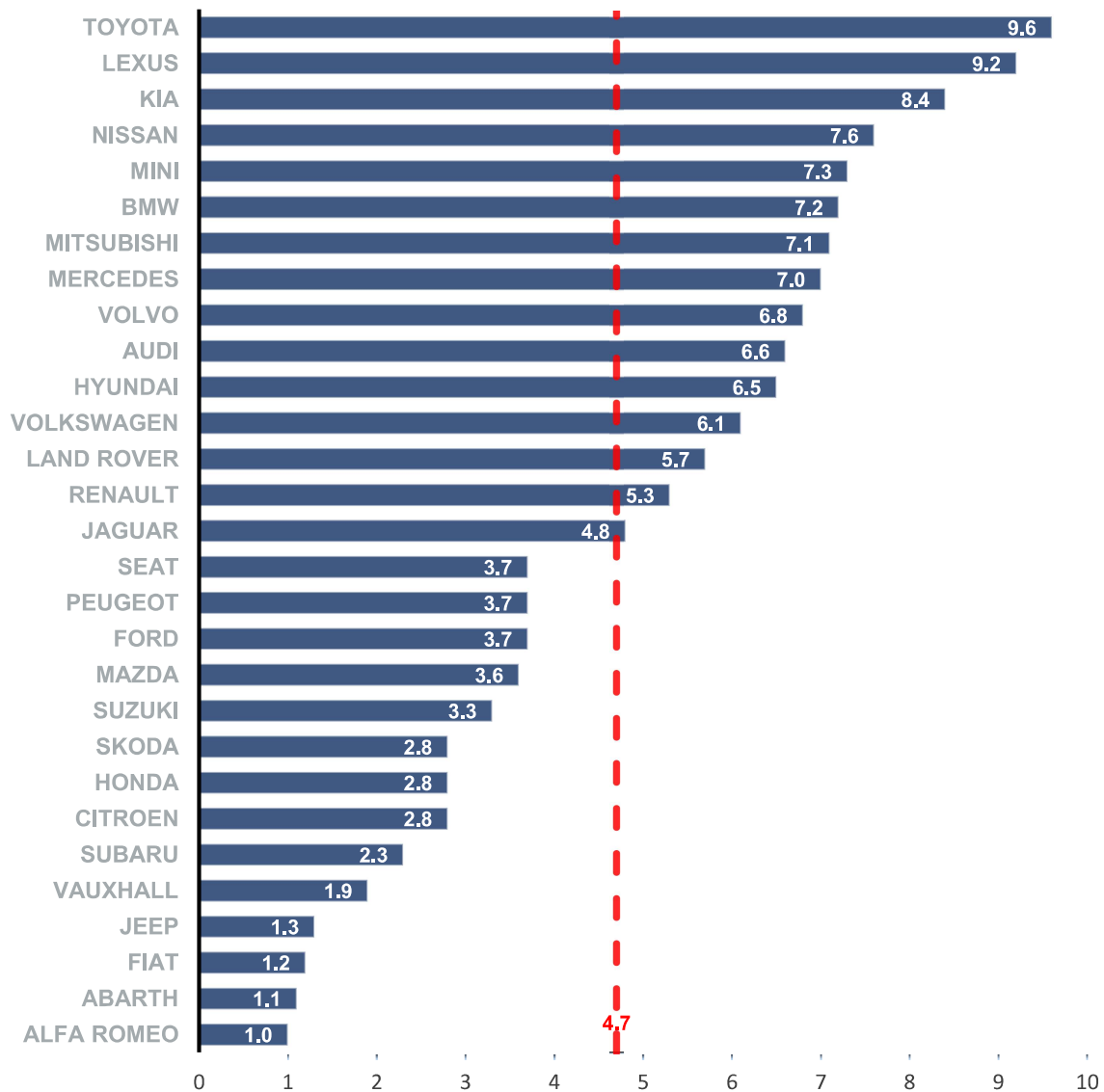
Summary:

With regards to the dealer networks' satisfaction in relation to their manufacturers' used car programme, the average score was 6.0. In this case, seven networks out of 29 gave a response lower than 5.0.

Future directions

NEW

How satisfied are you with the alternative fuel vehicle offering?



Top performer: Toyota 9.6 points

Bottom performer: Alfa Romeo 1.0 points

Average score: 4.7 points

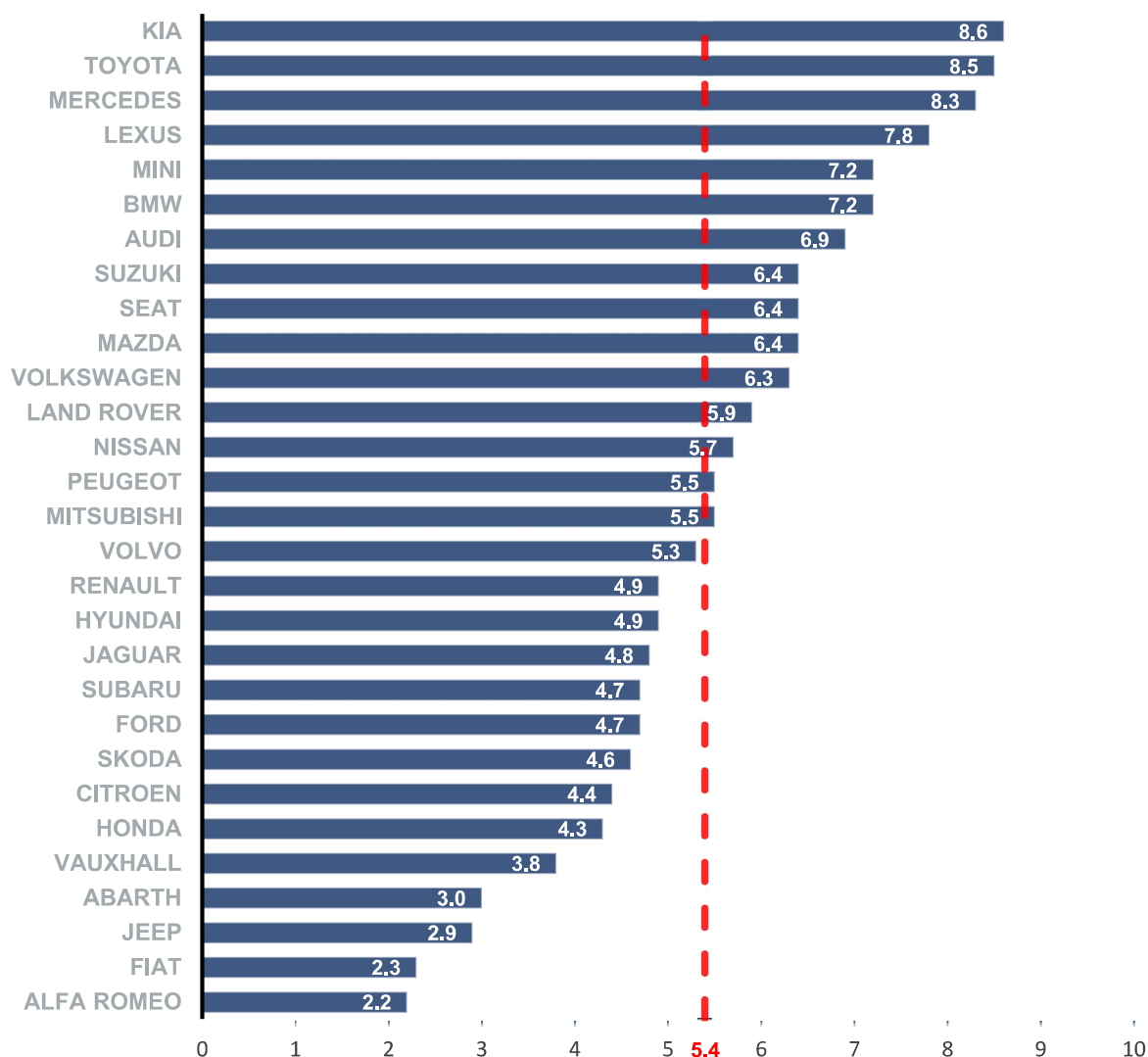
Summary:

A further, new section of the survey looked at the future directions of the market. In particular, with regards to the alternative fuel vehicle offering, more than half of the dealer networks surveyed (15 out of 29) gave a response below the neutral 5.0 mark. Towards the bottom of the table, some of the results are concerning.

Future directions

NEW

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



Top performer: Kia 8.6 points

Bottom performer: Alfa Romeo 2.2 points

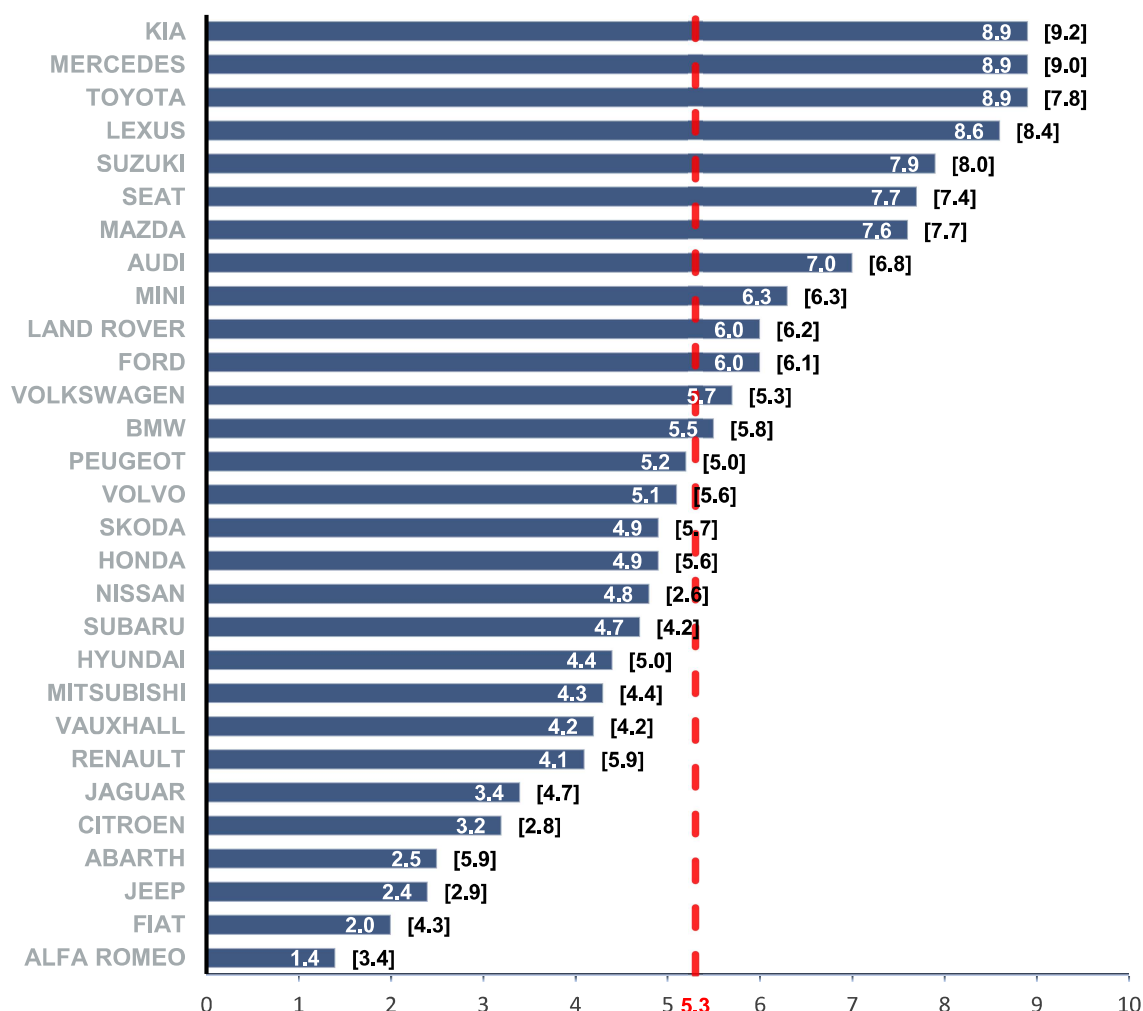
Average score: 5.4 points

Summary:

Looking at the dealers' satisfaction with their respective manufacturers' approach to future retailing channels, the average score of 5.4 shows that, on average, the different networks are neither satisfied nor dissatisfied. Out of all respondents, 16 networks (55% of the total) gave a score above the neutral point of 5.0.

Overall manufacturer scores

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



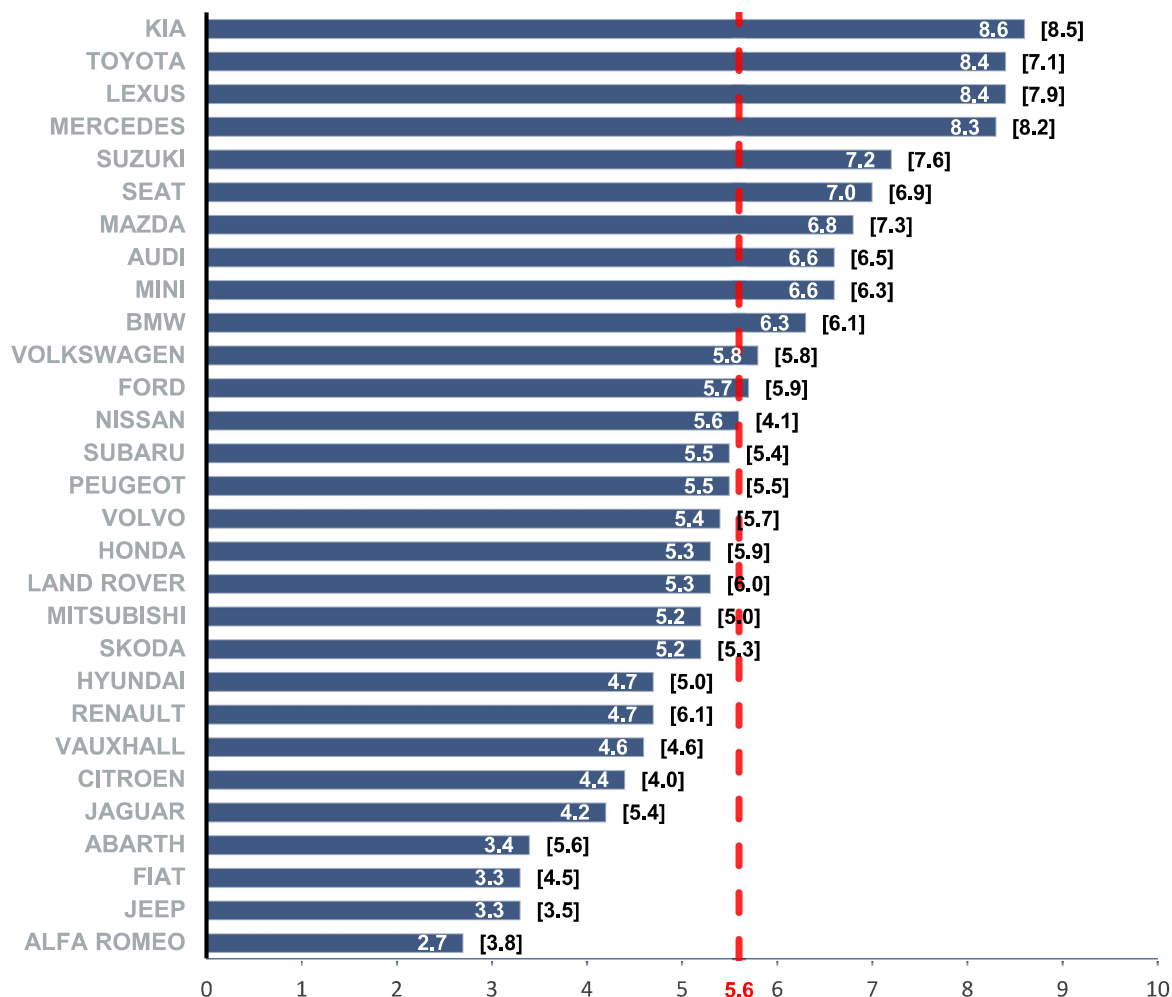
Top performer:	Kia, Mercedes and Toyota	8.9 points
Bottom performer:	Alfa Romeo	1.4 points
Most improved:	Nissan	+2.2 points
Biggest decline:	Abarth	-3.4 points
Average score:		5.3 points

Summary:

Turning to the question considered to be the benchmark of the survey, where dealers give the overall rating of their brands, 18 networks fell in score, 9 increased and 2 remained unchanged. There was a fall of -0.3 points to the all dealer average from 5.6 to 5.3.

Overall manufacturer scores

Average score across all questions



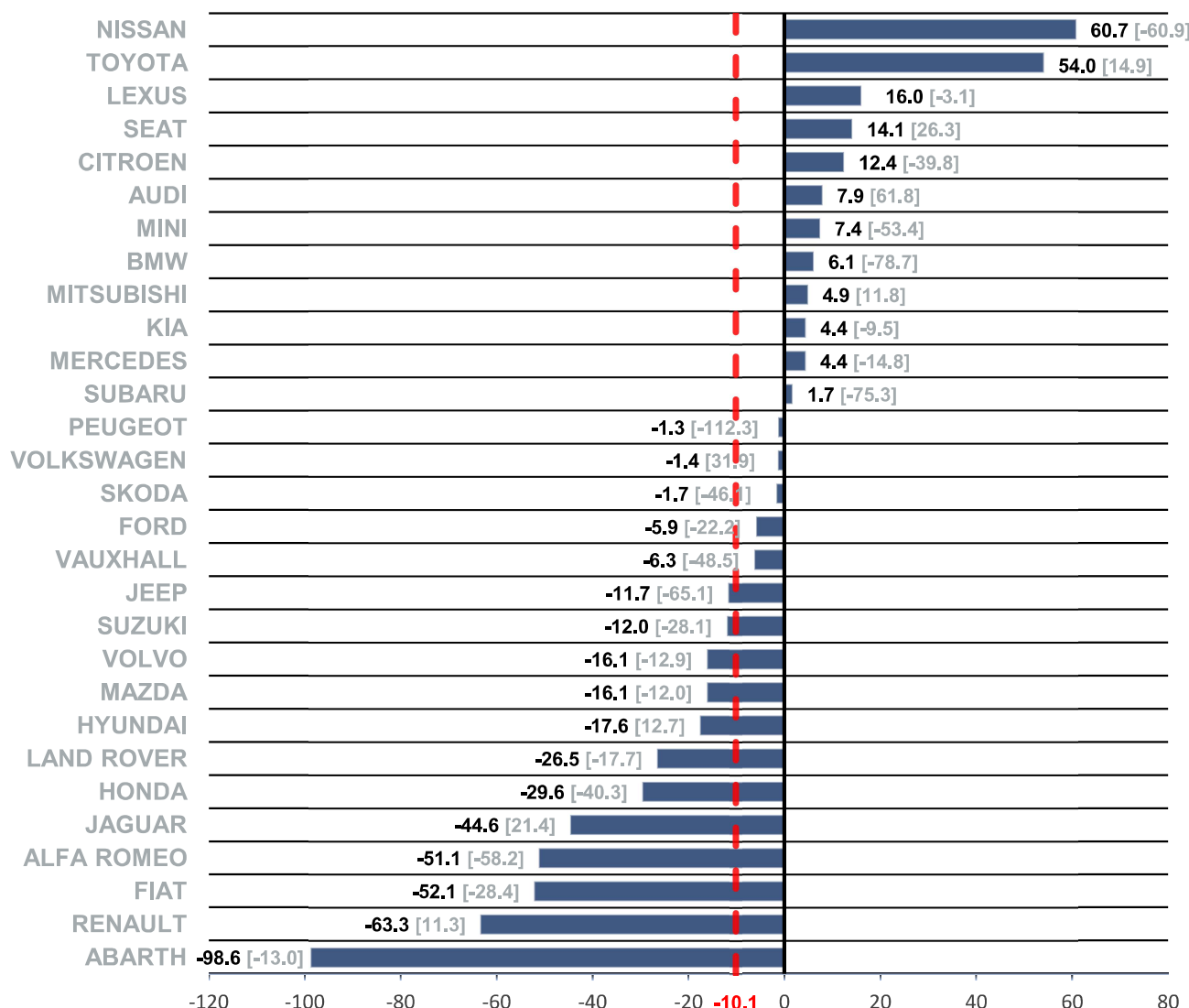
Top performer:	Kia	8.6 points
Bottom performer:	Alfa Romeo	2.7 points
Most improved:	Nissan	+1.5 points
Biggest decline:	Abarth	-2.2 points
Average score:	5.6 points	

Summary:

The average score given to all questions of the survey is a fair representation of the general satisfaction levels of the different networks. Across all questions, the average score decreased by 0.2 points compared to six months ago. 14 networks saw their score decrease, 12 improved, and three remained the same.

Overall manufacturer scores

Total movement across all questions



Most improved: Nissan +60.7 points

Biggest decline: Abarth -98.6 points

Average score: -10.1 points

Summary:

The movement in score across all the questions of the survey gives an accurate insight into the overall performance of each of the manufacturers. On average, scores decreased by -10.1 points compared to the Summer 2017 survey. Out of all the respondents, 12 experienced a positive movement, while 17 saw a negative one compared to six months ago.



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

