



2023

DEALERSHIP SERVICE RETENTION REPORT

Why Service Customers Return,
Why They Don't, and What
Dealerships Can Do About It



In the early days of 2020, we conducted a study to give dealerships greater insight into which factors caused customers to return to their dealership for service, and what caused them to leave. Three years and a global pandemic later, we were curious to see what's changed.

What follows is an updated study by DriveSure that seeks to give dealerships a peek inside the minds of their customers so that they can better serve them and reap the rewards that follow. As the competition remains robust, recommended service intervals continue to increase, and pandemic-related challenges linger, understanding the customer perspective and how it has evolved is crucial for dealerships and their service centers.

For this 2023 report, we revisited our 2020 survey methodology, seeking responses from vehicle owners who have activated or renewed DriveSure benefits within the past year. This report is built upon the responses of 1,380 vehicle owners who utilize a dealership for at least some of their service needs. It's noteworthy that the combined margin of error when comparing these two reports is 5%, hence smaller differences may not be statistically significant.

Our respondents hail from across the United States and own a wide variety of vehicle makes, echoing the diversity of our 2020 study. By focusing exclusively on dealership service customers, we delve into the unique perspective of the people who give at least some of their service business to dealerships.

This report goes beyond simply exploring the reasons customers choose dealerships. It digs deeper, getting specific about what it takes to delight and retain them, and how these factors may have changed or remained consistent since 2020. As such, it offers an invaluable resource for understanding how to navigate the evolving landscape of vehicle maintenance and service in the post-pandemic world.

KEY FINDINGS

- 1** The impact of the COVID-19 pandemic has resulted in surprisingly few changes to vehicle owners' service preferences and behaviors, with only a few significant shifts observed.
- 2** The pillars of quality and price continue to reign supreme for vehicle owners when selecting a dealership for service. Importantly, service appointment availability has also emerged as a key differentiator.
- 3** Dealerships have a massive opportunity to sell more tires, and capitalizing on this opportunity may be as easy as increasing awareness of tire offerings amongst existing customers.
- 4** The rise of text messaging as the preferred mode of communication is undeniable, especially among vehicle owners under 55, solidifying its place as the most desired channel for dealership communications between service visits.
- 5** A majority of service customers expressed an inclination towards purchasing prepaid maintenance, provided they are presented with attractive discounts and value-added services.

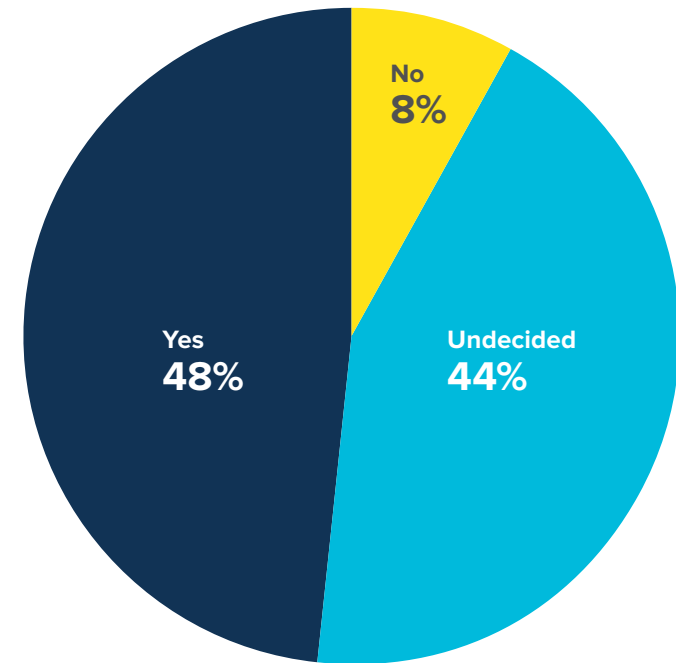
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WHY CONSUMERS RETURN TO THE DEALERSHIP FOR SERVICE

Dealerships know that customer retention is critical to service department profitability, and it continues to be an important factor in vehicle sales as well.

Do you plan to buy your next vehicle from the dealership where you currently go for service?



Similar to our 2020 findings, almost 50% of customers in 2023 intend to buy their next car from the dealership where they service their current one. About 8% say no, while the remaining consumers are uncertain, providing dealerships with an opportunity to impress and secure their repeat business at each service visit.

So what actually drives consumers' decisions for where they take their vehicle for service?

FACTORS AFFECTING CHOICE OF VEHICLE SERVICE PROVIDER

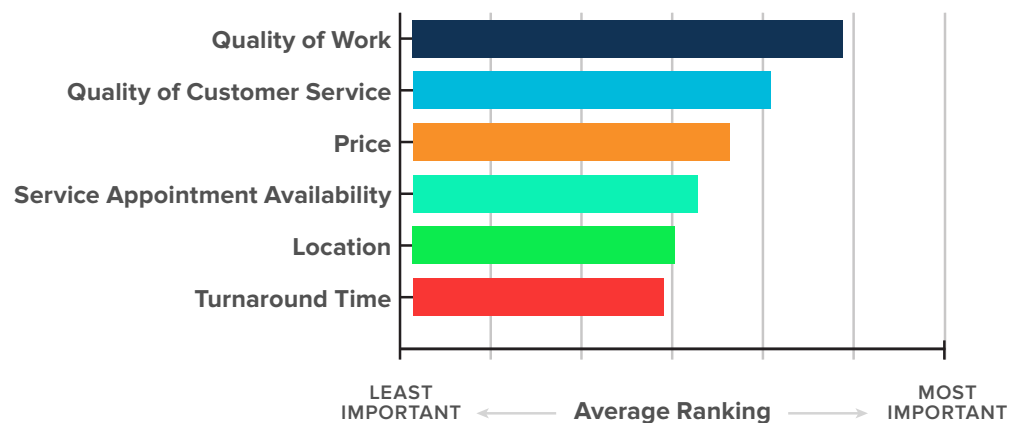
We asked our study participants to rank **six factors in order of importance when deciding where to take their vehicle for service**. Since 2020, “quality of customer service” overtook price as the second most important factor, but “quality of work” remains the top priority. Despite its decline in ranking, price is still an important consideration for many customers.

As shown in the graphs on the following page, older vehicle owners also continue to be less price sensitive and will care more about customer service and work quality. However, younger respondents may be starting to value customer service more in recent years. This trend isn’t statistically clear as of yet, but it’s definitely one worth keeping an eye on.

Many of the dealerships we work with have voiced concerns about their ability to stay fully staffed and the resulting limitations to appointment availability. To determine how this may be affecting service customers, we added “service appointment availability” as a ranking factor to this year’s survey.

While it wasn’t one of the top three most important factors on average, availability ranked high enough that dealerships are right to be concerned when they tell customers they’ll have to wait to get in for service. That said, a continued focus on quality

Rank the following items by how important they are to you when deciding where to take your vehicle for service:



work and service may help to slightly ease customer concerns about scheduling availability.

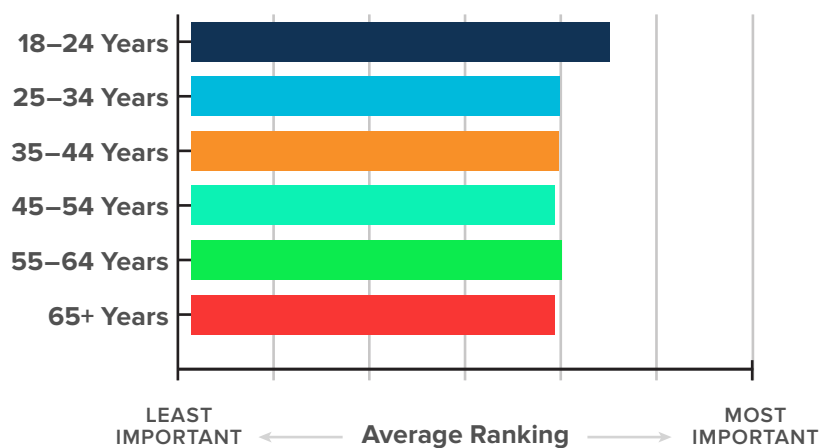
Observing these trends from the 2023 report brings mostly positive news for dealerships, particularly those that have always taken pride in the superior quality of their work and customer service. Nonetheless, the results continue to underscore a known concern for service managers: lower-cost alternatives continue to pose a significant threat.

In 2020 we recommended dealerships focus on high-quality work and great customer service to make sure customers feel they're getting a great value for the price. This year's data shows that's still the best course of action.

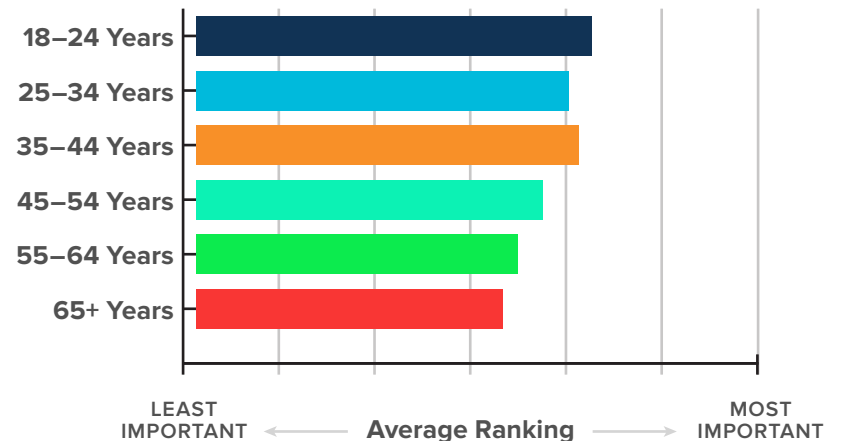
Later in this report, we'll talk more about what customers are looking for from their dealerships. But if you're looking for more tips on maximizing quality, we recommend exploring these recent articles from our blog:

- [8 Steps to Improve Customer Satisfaction at Your Dealership](#)
- [Improve Customer Loyalty with Service Center Quality](#)

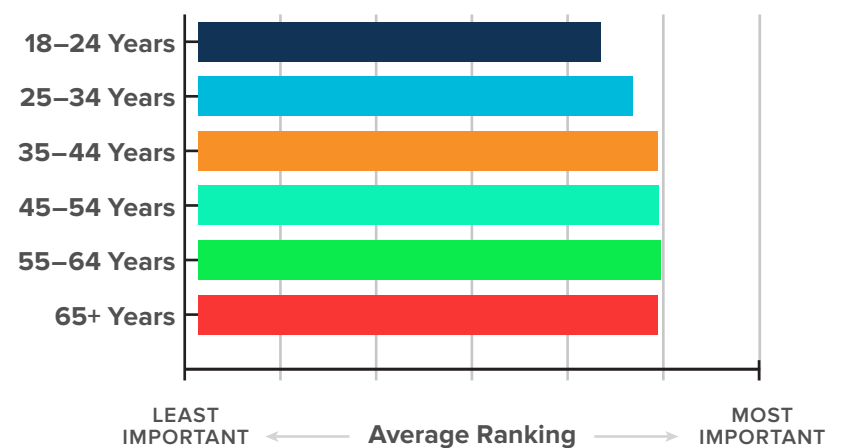
Average ranking of *QUALITY OF CUSTOMER SERVICE* as a factor affecting choice of service provider by age group:



Average ranking of *PRICE* as a factor affecting choice of service provider by age group:



Average ranking of *QUALITY OF WORK* as a factor affecting choice of service provider by age group:



SERVICES CONSUMERS PREFER FROM A DEALERSHIP

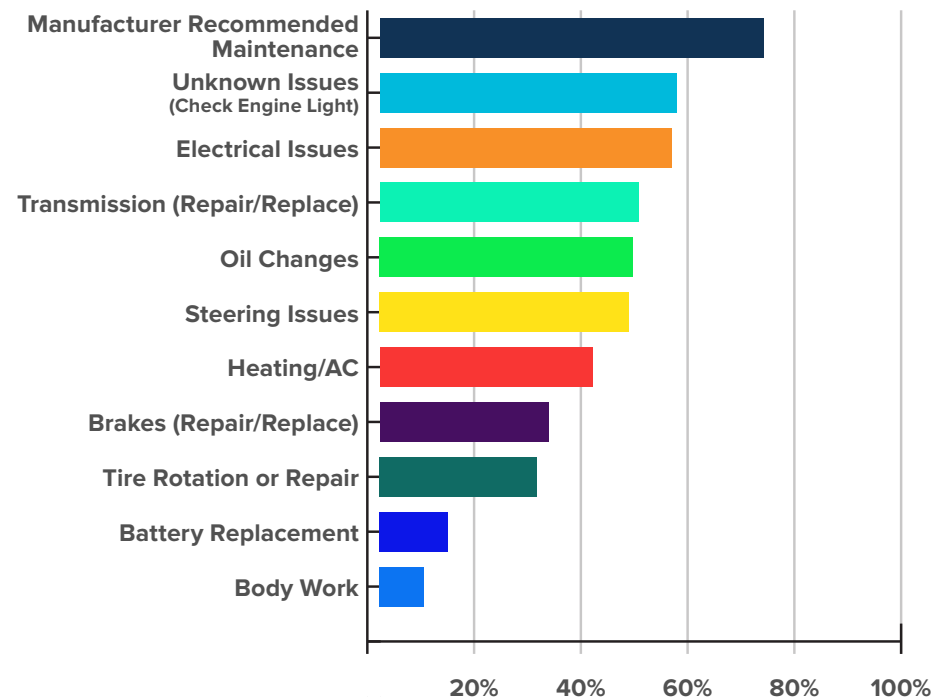
When it comes to which services consumers look to dealerships for, preferences have remained largely unchanged in the last few years. A touch under half of our survey participants (46%) entrust their dealership with all their vehicle servicing needs. For the rest, the type of the service determines where they choose to go.

When we delve deeper into the data, we find that **the top five services consumers eagerly leave in the capable hands of a dealership are intriguing.** Topping the charts is manufacturer-recommended maintenance, scooping up a significant 73% preference. Next in line, unknown issues or those pesky check engine light warnings grab a 58% preference.

Electrical issues follow closely with 57%, transmission work with 49%, and oil changes just scraping under half with 48%. On the flip side, the services least likely to have consumers driving towards a dealership include body work (11%), battery replacement (15%), and tire rotation or repair (31%).

It's clear that customers tend to venture elsewhere for concerns related to batteries, tires, body work, and brakes. Recognizing this trend, service advisors need to keep a sharp eye on such potential issues when a customer arrives at the dealership for other services. This proactive approach is important: not only can it keep customers from hitting the road to seek services elsewhere, but it also provides dealerships with the golden opportunity to stave off problems before the customer has to deal with them along the side of the road.

Which services do you prefer to get from a dealership rather than somewhere else?



SERVICE DEPARTMENT AMENITIES CONSUMERS VALUE MOST

As auto dealerships work tirelessly to enhance their value proposition and customer experiences, many prioritize enhancing amenities in their service departments. Some go to extremes, providing an experience reminiscent of a shopping mall. Others keep it simple, providing only coffee and free Wi-Fi (which these days is about as enticing as saying you offer free tap water).

So which amenities do consumers actually care about? We found two main trends this year: a general preference for value-added services, and a wide variety of preferences overall.

As with our last report, no single amenity stood out as a top choice, with no option being identified in the top three most valued by more than half the respondents. In other words, there's no silver bullet offering. This suggests dealerships who offer a wide variety of amenities are likely better at pleasing their customer base than those that offer a select few.

We can, however, still identify some clear trends. For starters, customers are clearly losing interest in common perks. Along with free Wi-Fi and late-night hours, a rewards program and vehicle pickup both dropped significantly since our 2020 report.



What three amenities do people value most in a dealership service department?

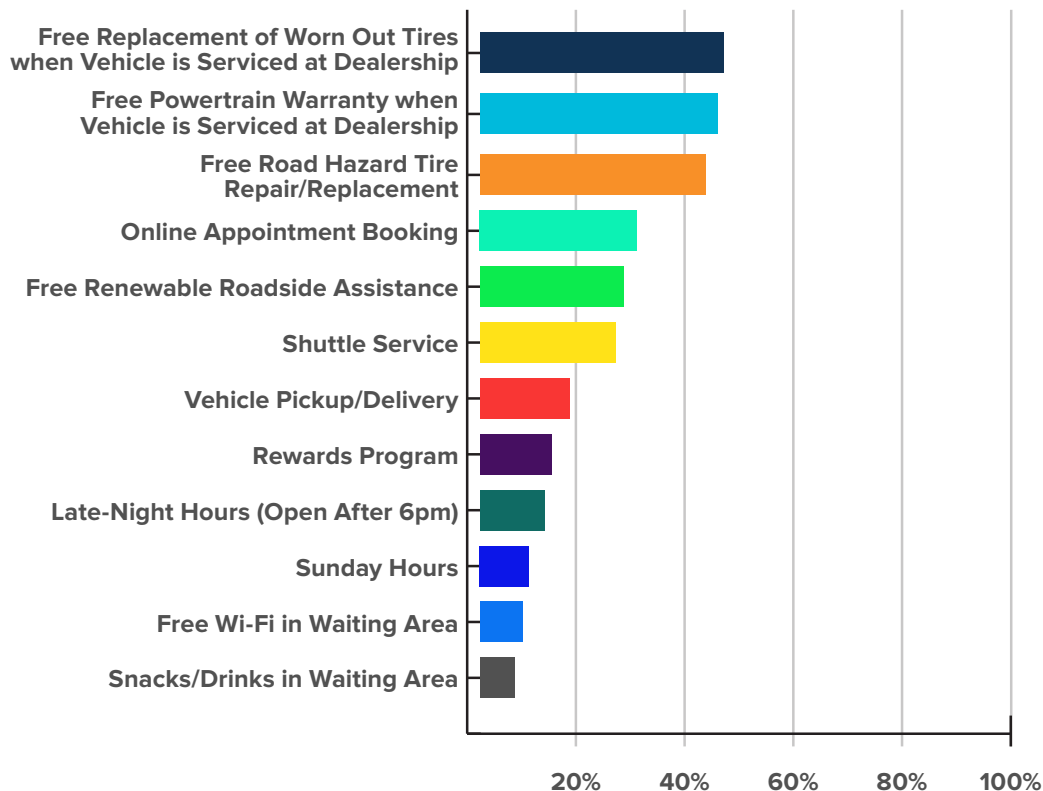
We had been wondering whether we'd see an increase in the number of customers that value vehicle pickup & delivery after the service seemed to gain some popularity during the pandemic, but that was not the case. Not only did 16% fewer respondents identify it as one of their most valued than in 2020, it also ranked below shuttle services which is a reversal from the rank order in our last report.

So, what do customers really want? Increasingly, they want value-added services. At the top of their list were free replacement for worn out tires (46%) and free powertrain warranty (45%) for vehicles regularly serviced at the dealership. It's worth noting that these were new additions to the options for this year's survey. While they aren't commonly offered, we've noticed a few dealerships testing out these types of offers and wanted to gauge customer interest.

Interestingly, customers also value free tire replacement for road hazard damage nearly as much as free tire replacement for normal wear and tear. This is great for dealerships, because road hazard tire protection is much easier to manage and regulate than "free tires for life" programs (more on that on page 31), which often cause friction when customers assume they're covered but don't meet a program's strict requirements.

The bottom line? It's time to start considering more value-added services if you want to stand out. These, combined with amenities that add convenience, such as online appointment booking (31%) and shuttle service (26%), create a winning recipe for dealerships.

Select the three amenities that are—or would be—the most valuable to you:



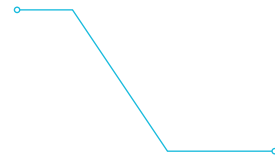
We also asked our respondents to identify **which of the amenities from this list are offered by their dealership**. The three amenities offered the most by dealerships are the same as they were in 2020 (though in a slightly different order): online appointment booking, free Wi-Fi, and snacks/drinks in the waiting area.

As you can see, there's still some mismatch between what amenities customers are aware their dealership offers and what they value, with a couple exceptions at both ends of the list. Dealerships could do more to offer the value-added benefits that customers truly value (or do more to communicate existing value-added offers).

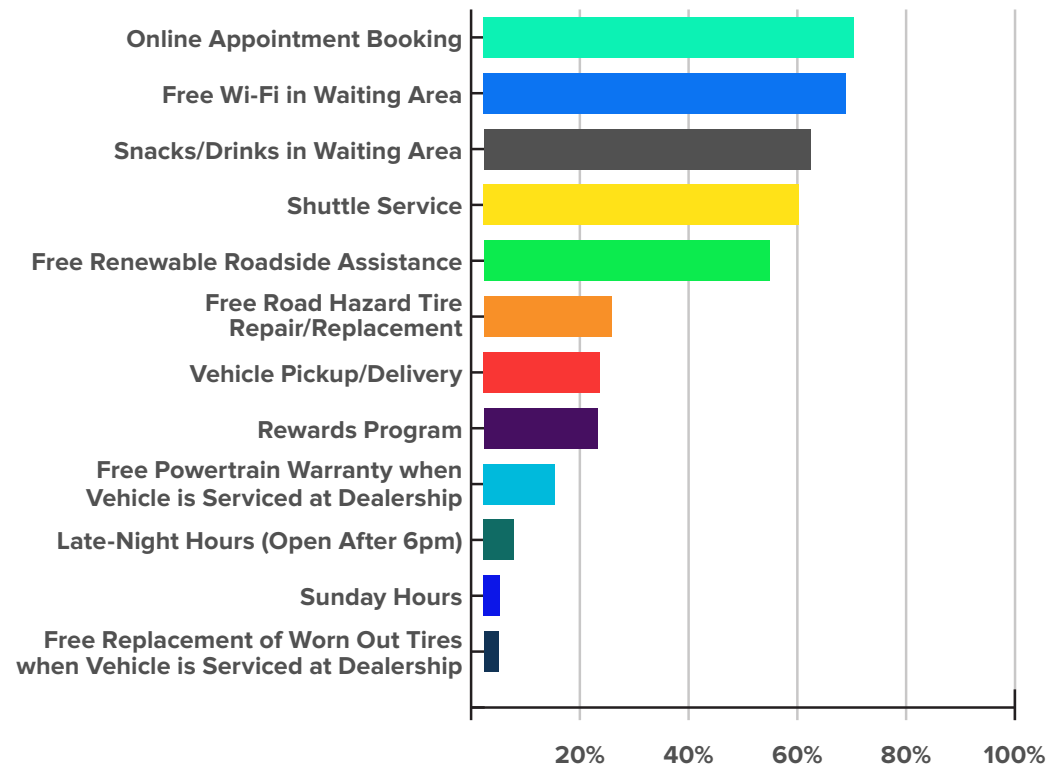
The most interesting finding from this question, though, is that for nearly every amenity listed, other than online appointment booking and shuttle service, there was a significant decline from our 2020 report. This tells us that either customers are paying less attention to what their dealership offers, dealerships aren't doing as good of a job in making customers aware of what they offer, dealerships have pared back on offered amenities, or a combination of the three.

Top takeaways for dealership owners are:

- There are amenities, specifically true value-added benefits, that customers still highly value.
- If you're already offering any of these benefits, be sure to communicate this to your customers clearly and often.
- If you are looking to reduce the number of amenities you offer, refer to our list of what customers value. But proceed with caution, some of the amenities at the bottom of the list may be expected, even if they're not highly valued.



Select the amenities your dealership service center currently offers:



The variety of responses persisted even after segmenting by age group, but with some key differences. For respondents 34 and younger, a few areas took a plunge: Wi-Fi (8%), vehicle pickup/delivery (10%), and shuttle service (11%) all dropped into the bottom three choices.

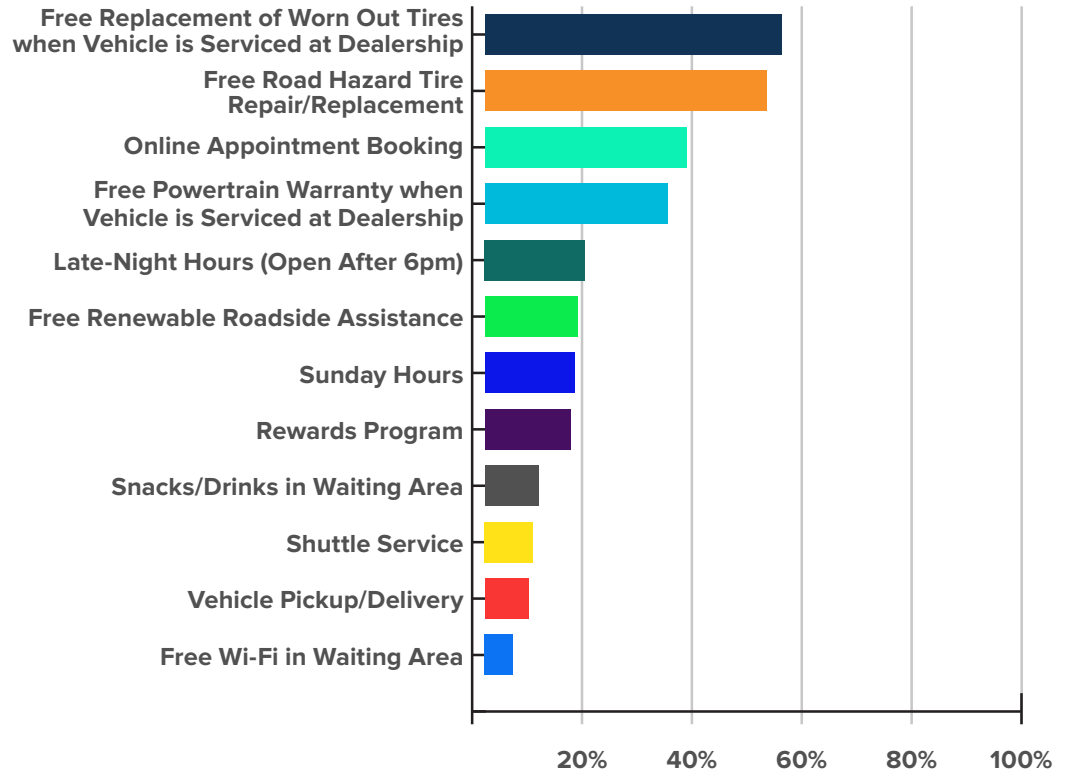
Younger people also seem to care more about booking online and having later open hours. While late hours will likely stay consistent with younger drivers in general, a rising preference for online booking indicates this trend will continue as this group ages. Similarly, Wi-Fi has become more of an expectation than a perk, so advertising “free Wi-Fi” can seem increasingly out of touch with younger customers.



For respondents 34 and younger, Wi-Fi, vehicle pickup/delivery and shuttle service all dropped into the bottom three choices.

AGES 34 & YOUNGER

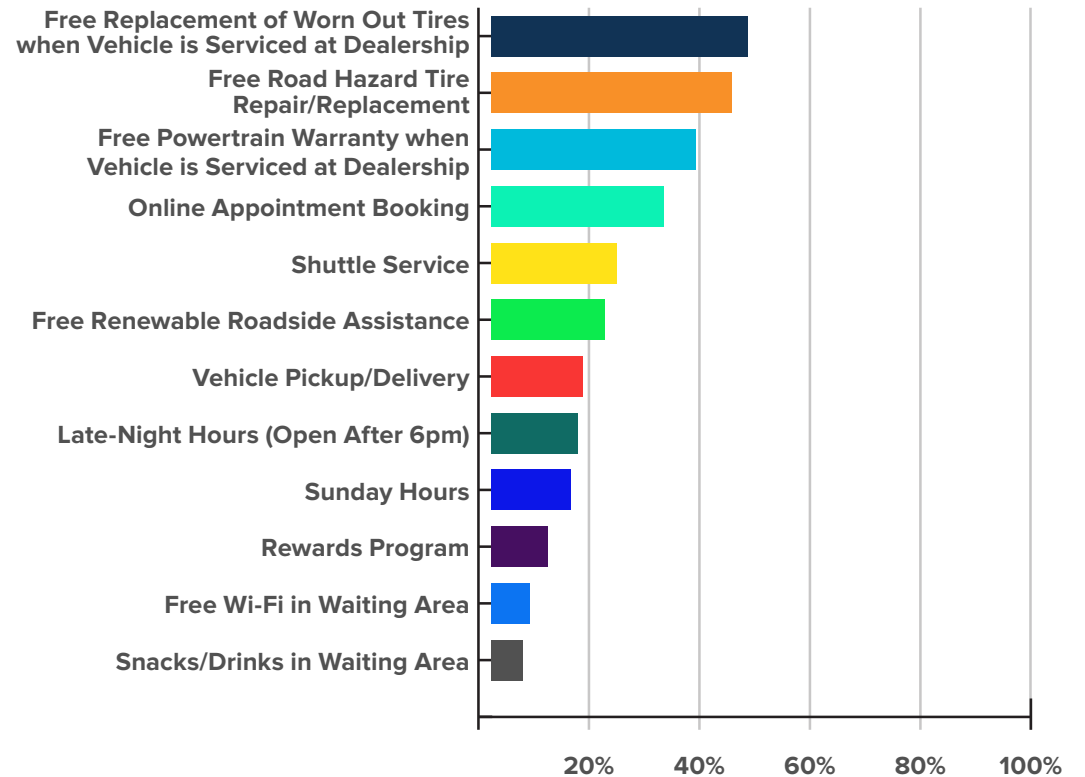
Select the three amenities that are—or would be—the most valuable to you:



For those aged 35 to 54, ratings remained pretty consistent across the board, with a few small changes, such as free powertrain warranty losing its 2nd place spot to road hazard tire protection, and a modest decline in preference for roadside assistance. Dealerships considering road hazard tire protection will have a simple way to stand out with this group.

AGES 35–54

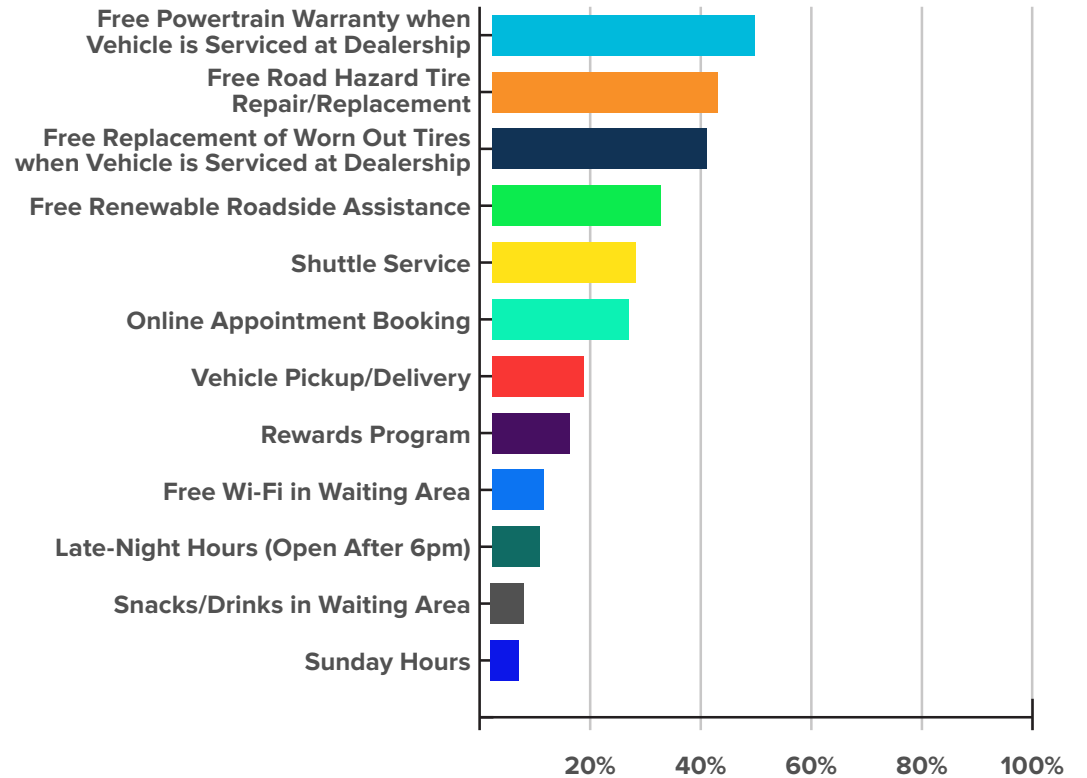
Select the three amenities that are—or would be—the most valuable to you:



Among the 55 and over crowd, we found some small changes such as additional preference for renewable roadside assistance (33%). Compared to the 2020 report however, we noticed this segment now cares much less about Wi-Fi (12%) or online booking (28%) than they used to, and a lot more about road hazard tire protection (41%).

AGES 55 & OLDER

Select the three amenities that are—or would be—the most valuable to you:



WHY CONSUMERS DON'T RETURN TO A DEALERSHIP FOR SERVICE

Dealership defection is something all service managers want to prevent, but it happens all too often across the industry.

So what causes customers to leave?

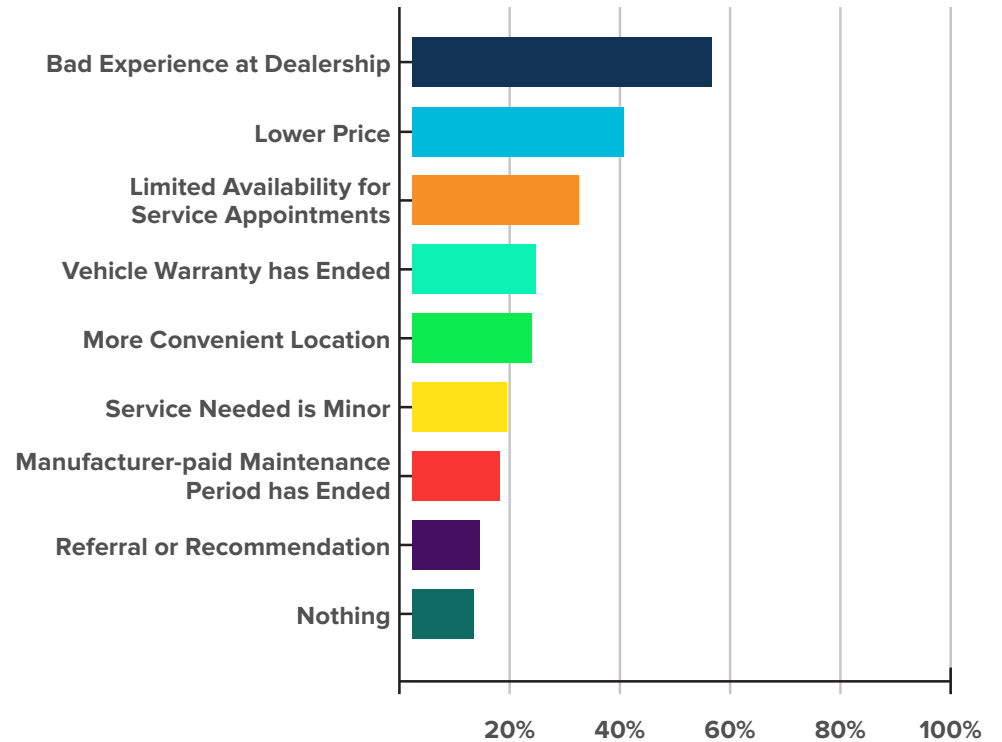
REASONS CUSTOMERS LEAVE

We asked the participants to identify all the reasons why they might go somewhere else for service (from a predefined list of common defection causes). Our findings are consistent with our previous study: bad experiences and poor prices are still the major causes of defection.

Over half (56%) of consumers said they might leave after a bad experience at the dealership and 40 percent said they might leave for a lower price. What's also noteworthy here is that two new survey options, "limited availability for service appointments" (32%) and "expired vehicle warranty" (25%), came in as the third and fourth major reasons customers leave.

Our advice? For starters, continue to focus on delighting customers and proving value. If you're facing high turnover or needing more customers, a drop in profit margins from lower prices might be a worthwhile sacrifice to keep business flowing. These new results also show that busier dealerships will benefit from expanding service lane capacity and finding new ways to keep customers whose warranties are ending, such as through alternative value-added benefits and/or prepaid maintenance.

What might cause you to go somewhere else for service?



What happens when we break down responses by customers' self-reported level of loyalty to their dealership? Across the board, bad experiences are enough to make most customers leave. Most customers may also go elsewhere for a better price unless they identify as “extremely loyal.”

While extremely loyal customers are at least 35% less likely to be swayed by price, they're as little as 10% less likely to be swayed by a bad experience. In other words, loyal customers will stick with you even if it means paying more, but not if it means enduring even a single bad experience.

This extremely loyal group is also still susceptible to defecting due to limited-service availability – more than a quarter of them would consider going somewhere else if they struggle to get appointments. Consider this for a moment: some of your most loyal customers may go somewhere else if they have trouble getting an appointment with you. And their experience of your competitor's service might keep them from coming back afterward.

That said, 24% of extremely loyal customers said “nothing” would make them go elsewhere, compared to just 2% of “mostly loyal” customers. Our recommendation is to make earning customer loyalty your top concern, then focus on the things they care most about (delightful experiences and scheduling availability).

What might cause you to go somewhere else for service? [Segmented by loyalty to current dealership]



Among dealerships that deliver exceptional service and show tangible value, a significant majority of customers are likely to continue coming back for service. Only a modest 18 percent indicated the end of the manufacturer-paid maintenance period as a potential reason to switch dealerships, while just 15 percent would think about leaving based on a referral or recommendation. While these figures are certainly not trivial, it's important to remember that the respondents could choose as many reasons as they wanted for this question.

Another interesting insight from the survey was that 19 percent of respondents might consider taking their business elsewhere if the service they needed was minor. This highlights the crucial point that dealerships must be vigilant in identifying and rectifying small issues during every service visit. Whenever a customer chooses to service their vehicle at a different location, not only does the dealership lose that specific revenue, but more significantly, it opens a door for other service providers to win that customer's repeat business.

Up next, we will delve into another compelling reason that drives customers to seek services at places other than dealerships: the purchase of tires.



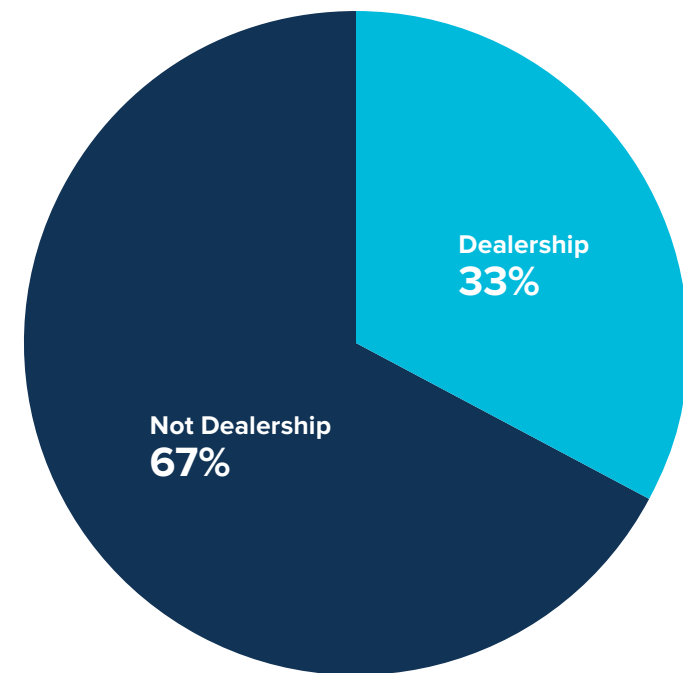
Whenever a customer chooses to service their vehicle at a different location, not only does the dealership lose that specific revenue, but more significantly, it opens a door for other service providers to win that customer's repeat business.

DEALERSHIPS' TRACTION WITH TIRES

In our 2020 report, we found that dealerships had a massive opportunity to increase their market share of tire sales. The same is true today.

In this year's survey, **just 33 percent of participants who've purchased tires for their current vehicle purchased their last tire (or set of tires) at a dealership.** Considering that everyone included in our survey goes to a dealership for at least some of their vehicle maintenance, this number could be much higher. Even among those who described themselves as "extremely loyal" to their service dealership, only 43 percent bought their latest set of tires from that dealership. This begs the question: why aren't more people turning to their trusted dealership for tires?

Where did you go the last time you purchased a tire?



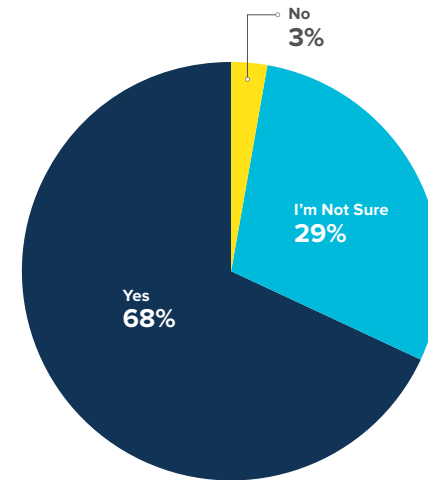
Even among those who described themselves as "extremely loyal" to their service dealership, only 43 percent bought their latest set of tires from that dealership.

As we identified three years ago, one significant reason is that they aren't even aware their dealership sells tires. A noteworthy 29% of all participants answered "I'm not sure" when asked if their dealership sold tires. Even among the extremely loyal customers, 24% were uncertain. Unfortunately, these numbers are virtually unchanged since our last survey.

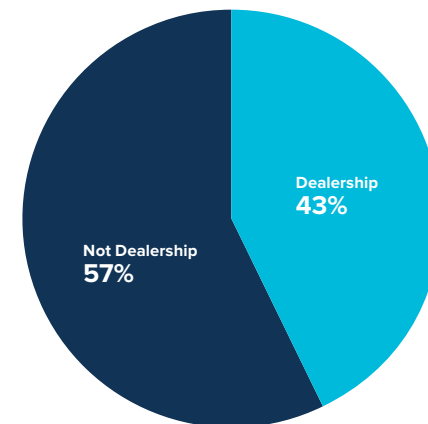
Dealerships must do a better job of highlighting their tire offerings to their customers. Based on the results of this survey, **if all dealership service customers simply knew their dealership's service center sold tires, 10% more of them would buy their tires there rather than somewhere else.**

But awareness is only one piece of the puzzle: to further increase their share of the market, dealerships also need to set themselves apart from other tire-selling businesses. And the competitive landscape has shifted a bit since 2020.

Does the dealership where you service your vehicle sell tires?



Where did you go the last time you purchased a tire? (for customers who are aware their dealership sells tires)



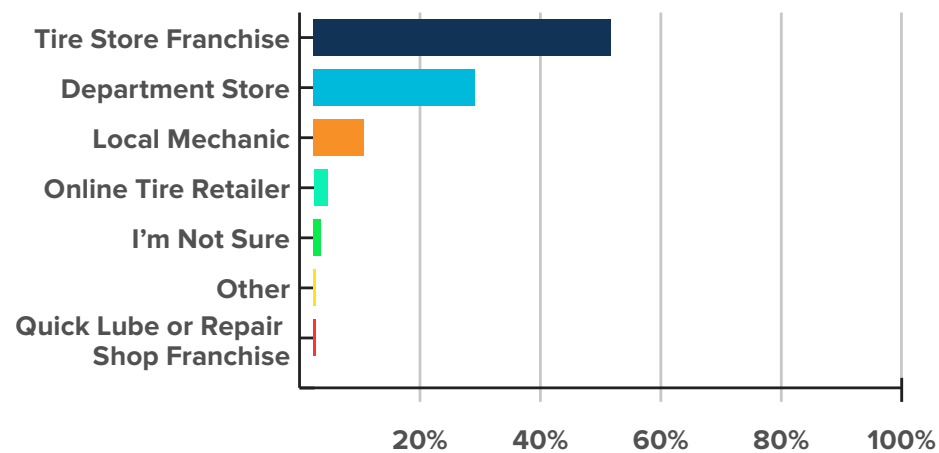
Dealerships must do a better job of highlighting their tire offerings to their customers.

In the tire-buying race, **tire store franchises remain the favored choice for participants who don't buy their tires from dealerships (52%)**. Big-box retailers like Costco and Sam's Club take second place (29%), but have surged 9% since our 2020 report, taking the majority of that growth in market share from tire store franchises. Dealers should take note in big-box retailers' rising success, as competing with this low price, high convenience model will be quite different than the traditional competition with tire store franchises that dealerships are used to.

Competing effectively with these alternatives isn't just about growing tire sales revenue, it's also about preserving existing financial performance. As recommended service intervals stretch out and electric vehicles gain in popularity, dealerships can't bank on oil changes as a regular customer draw the way they used to. Dealerships must be top of mind for customers for all things tires.

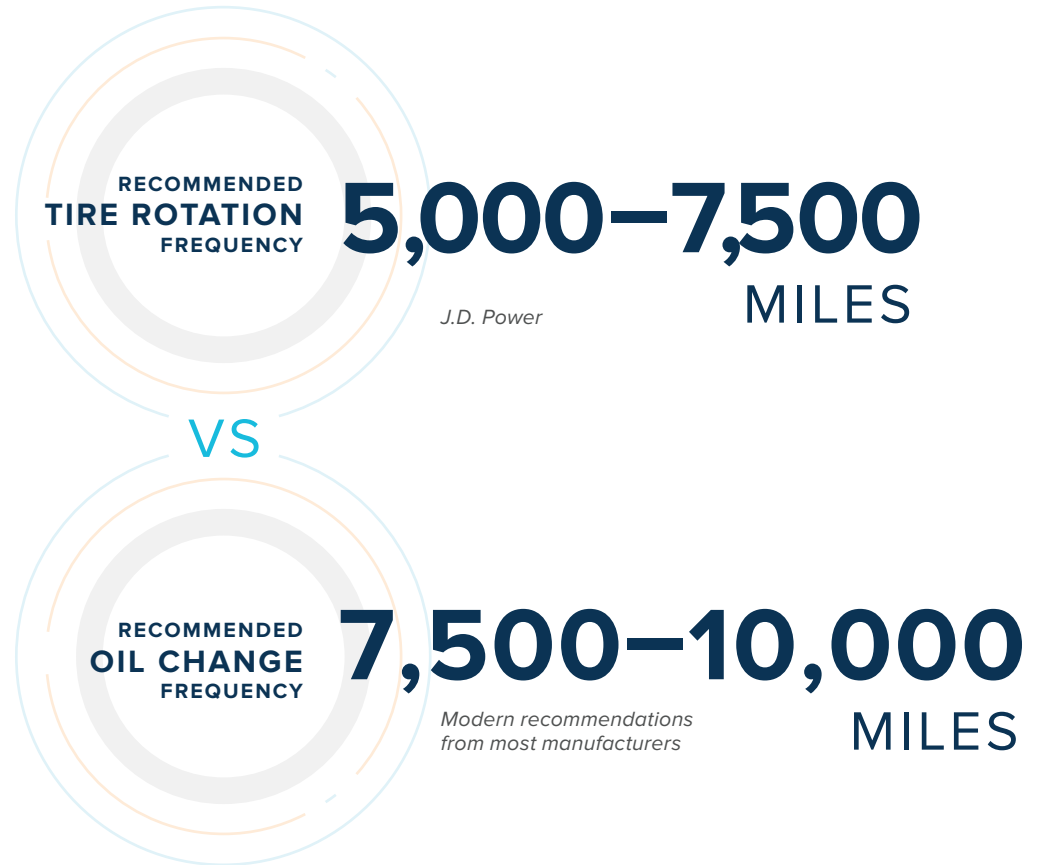
Already today, tire rotations are the most frequent service need. A solid 63% of participants prefer to have tire rotations and repairs done at the dealership (includes people who stated they do all their vehicle servicing at the dealership). However, we believe that number should be much higher (it's at 72% for oil changes and 85% for manufacture-recommended maintenance).

Where did you go the last time you purchased a tire, if not your dealership?



Establishing a dealership as the go-to place for tires will encourage customers to return more frequently for this essential maintenance. Moreover, each customer visit provides service advisors with a chance to identify and address minor issues mentioned earlier, and to offer an exceptional, loyalty-enhancing experience.

An effective communication strategy is one way to make sure customers are informed about a dealership's tire services. To gain insights into consumer preferences for dealership communications, we posed several questions to our study participants on this subject.



Establishing a dealership as the go-to place for tires will encourage customers to return more frequently for essential maintenance.

CONSUMER COMMUNICATION PREFERENCES

With all dealerships do to communicate with and market to their customers, we wanted to know which of these tactics customers actually prefer. The more you understand the communication channels your customers rely on, the better you can adapt your strategies to maximize your return on investment.

As in 2020, we asked our survey recipients the following:

- How do you usually know when it's time to get your vehicle serviced?
- Which method would you most prefer for scheduling service appointments?
- Which communication method do you prefer most when receiving updates or information from your dealership **between service visits**?
- Which communication method do you prefer most when receiving updates or information from your dealership **while your vehicle is being serviced**?

And while many aspects of vehicle owner preferences and behavior haven't shifted significantly over the last three years, this is one area where they certainly have.

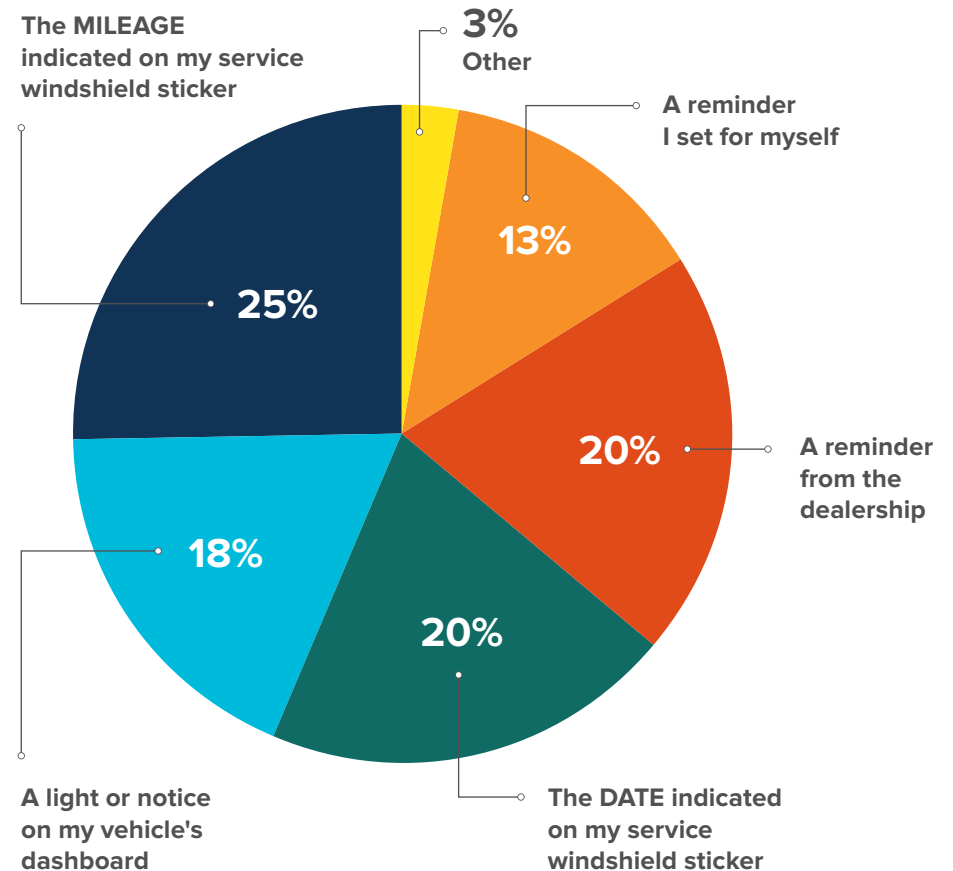
HOW CUSTOMERS KNOW WHEN TO RETURN

The traditional windshield maintenance reminder sticker still reigns supreme as the most effective way to communicate with customers. Nearly half of survey participants know when to service their vehicle from the sticker, using either the mileage (25%) or the date (20%) it displays.

Since stickers are a hard-to-lose visual reminder, they continue to be a go-to for customers. We've begun to see some dealerships stop using windshield reminder stickers, but the research is clear that they're still a useful tool to get customers to return on time. We can expect this tried-and-true method to stick around.

Tied for second place at 20% is a reminder from the dealership to return for service. Proactive dealership communications like these play a crucial role in ensuring customers return promptly. More effective reminder messages could potentially increase this percentage and subsequently boost the frequency of service visits — particularly for those who would otherwise wait for a dashboard light or notification (the fourth most common way participants know it's time to service their vehicle).

How do you usually know it's time to get your vehicle serviced?



HOW CUSTOMERS PREFER TO SCHEDULE SERVICE

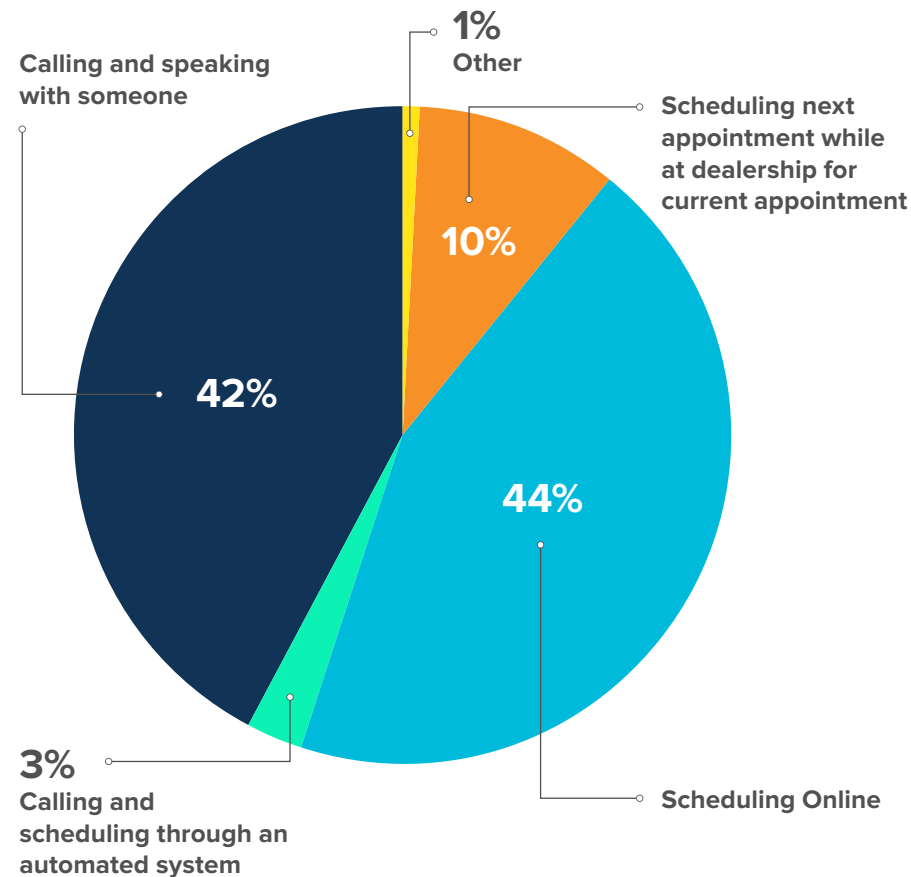
This year is the first year we asked survey participants to tell us how they prefer to schedule their service visits. We felt that this was important to know to help dealerships answer a variety of questions, such as:

- How many of our customers prefer to schedule online?
- How many of our customers would book their next service appointment while still at the dealership for their current one?
- Automated phone systems for appointment scheduling are growing in popularity, how do customers feel about them?

As respondents indicated when they told us which amenities they value most, they're big fans of scheduling appointments online. In fact, this was the most preferred scheduling method, with 44 percent of vehicle owners surveyed naming it as their top option. Most dealerships are already on top of this trend, but it does pose a defection risk.

As we highlighted earlier, nearly a third of customers are willing to go somewhere else for service based on appointment availability. When customers schedule online, dealership employees don't get an opportunity to identify when a customer is frustrated by a lack of availability or a chance to remedy the situation as they might over the phone.

Which method would you most prefer for scheduling service appointments?



For that reason, we recommend that dealerships look into implementing technologies like booking abandonment. This automatically detects when a customer has looked at your online scheduler but left your website without booking an appointment, then sends them one or more automated emails.

Another solution is to book appointments further in advance. While this can be difficult in practice, 10 percent of our survey respondents told us that they prefer to book their next appointment while they're still at the dealership for their current one. Our hunch is that this number would be even higher if more dealerships asked their customers during checkout if they'd like to book their next appointment – especially since appointment availability is becoming an issue customers care about.

Finally, the verdict is in on automated phone systems. While 42 percent of customers still prefer to call in and speak with someone, only 3 percent would pick an automated system as their top choice. Furthermore, automated phone systems pose the same risk outlined above for online scheduling. Our recommendation is to have someone dedicated to answering the phones if at all possible.



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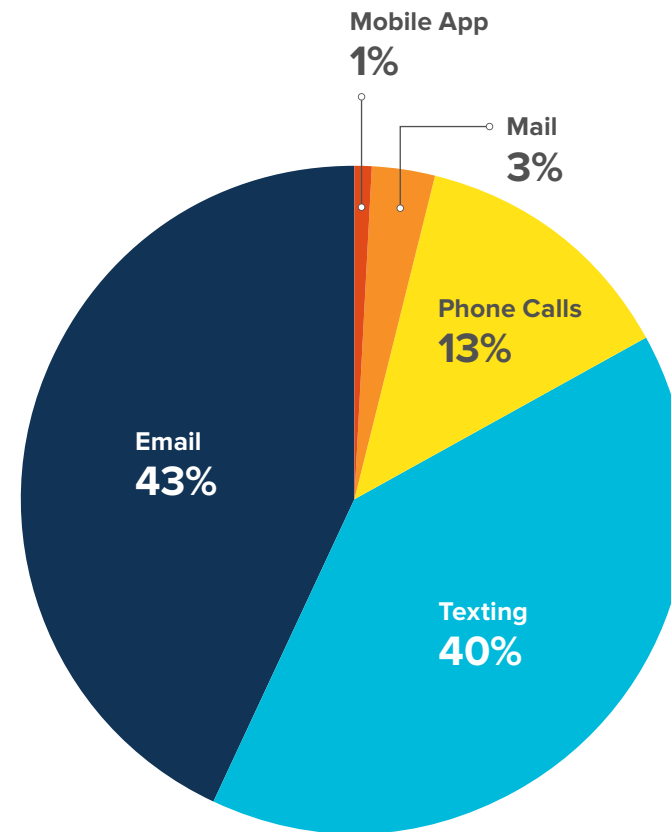


CONSUMERS' PREFERRED COMMUNICATION CHANNELS BETWEEN VISITS

When it comes to getting information, **how would consumers prefer to receive relevant information from the dealership between service visits?**

In recent years, text messages have become increasingly popular, climbing from 32% in 2020 to 40% this year. Texting is now almost tied with email (which dropped from 50% to 43%) as the preferred communication method between service visits. Preferences for phone calls (13%), mail (3%), and mobile app (1%) preferences have all remained steady. While those are still effective secondary channels, it's clear that texting is the way forward.

Which communication method do you prefer most when receiving updates or information from your dealership *BETWEEN SERVICE VISITS*?



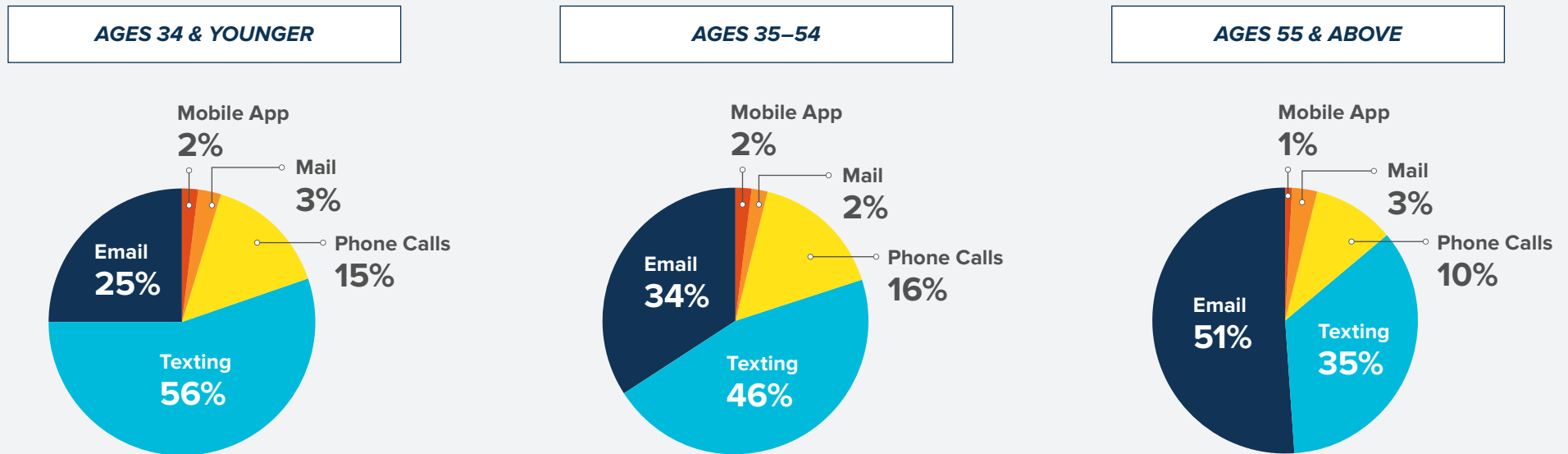


Looking at the responses by age, we see some slight changes. However, participants 18-34 vastly prefer texting (56%) over email (24%), further pointing to what we can expect in the coming years. Perhaps surprisingly (and consistent with 2020), younger customers are also slightly more likely to prefer phone calls than their older peers.

The 35-54 age group also has a stronger preference for texting (46%) over email (34%), though less substantial than younger consumers. The only group to still most prefer email was the 55 and over crowd, though even this group has seen an 11 percent increase in preference for texting in the past few years.

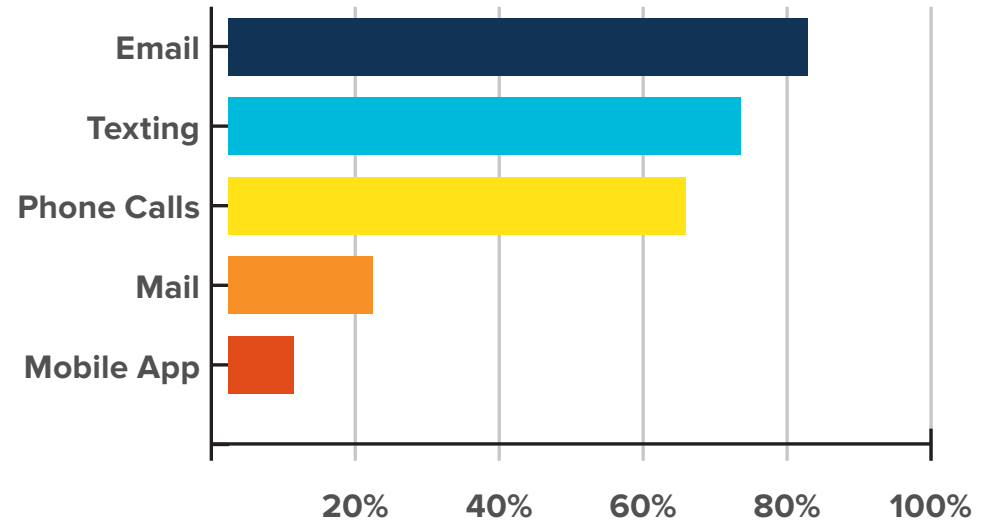
Participants 18-34 vastly prefer texting (56%) over email (24%).

Which communication method do you prefer most when receiving updates or information from your dealership between service visits?



While email remains an effective channel, these findings are a strong reminder that dealerships need to adopt a solid strategy for sending text messages to customers, and they need it done yesterday. Thankfully it looks like progress is being made here: significantly more dealers are sending texts (up to 75% from 58% in 2020), with email still being sent to 82% of respondents — a slight decline.

What methods does your dealership use to communicate with you?



Dealerships that don't use text messages for consumer communications need to start now.

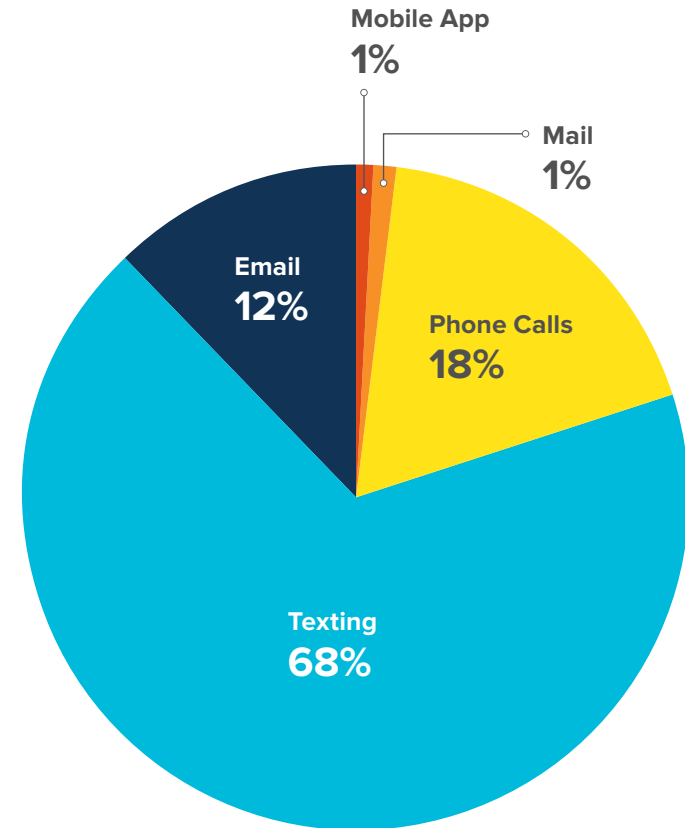


CONSUMERS' PREFERRED COMMUNICATION CHANNELS DURING SERVICE

We also asked if consumer preferences are different for the updates they receive while their vehicle is being serviced at the dealership. As we expected, preferences shift towards more immediate forms of communication.

In the last report we found a wide gap between the number of respondents who prefer texting and those that prefer phone calls, and this gap has only grown since then. **Texting is by far the more popular preference (68% prefer it, up from 60% in 2020)**, with calls now only preferred by less than a fifth of respondents (18%).

Which communication method do you prefer most when receiving updates or information from your dealership **WHILE YOUR VEHICLE IS BEING SERVICED?**



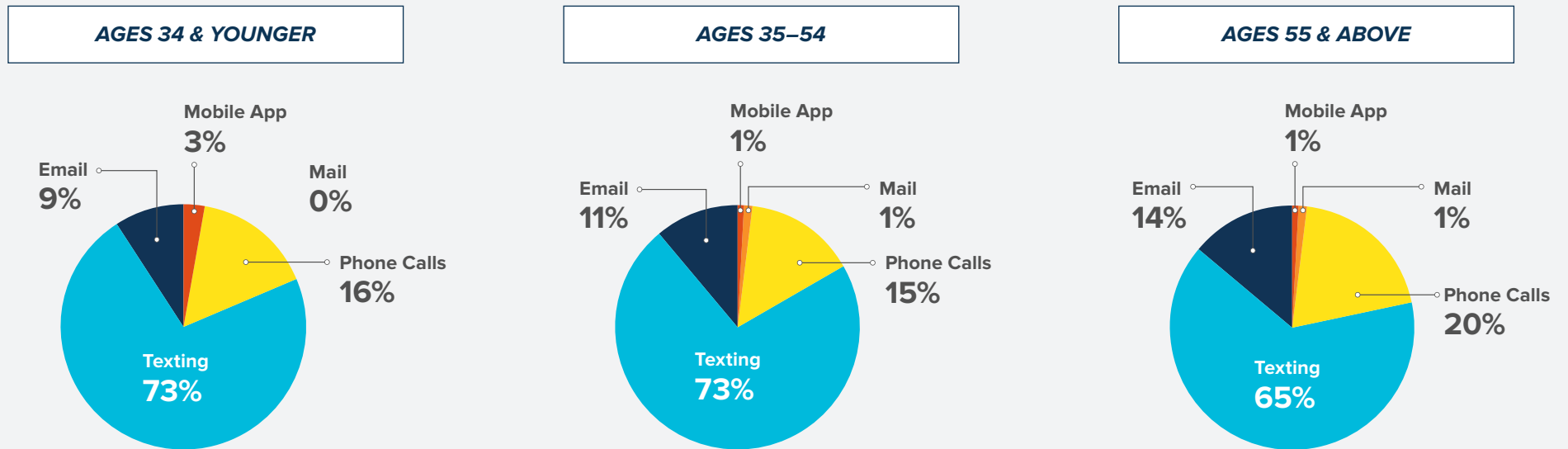


In our last report, customers 55 and older still preferred texting by a wide margin, despite having the highest number of people who preferred calls. This is only more true today: nearly two thirds now prefer text messages (64%, up from 54%), while only 20 percent prefer calls (down from 27%). Texting rose for all other age groups as well, and most other methods dropped.

To really drive this home: now is the time for dealerships to fully embrace text messaging for communicating with customers.

Nearly two thirds of participants 55 and older now prefer text messages, while only 20 percent prefer calls.

Which communication method do you prefer most when receiving updates or information from your dealership while your vehicle is being serviced?



PREPAID MAINTENANCE PACKAGES

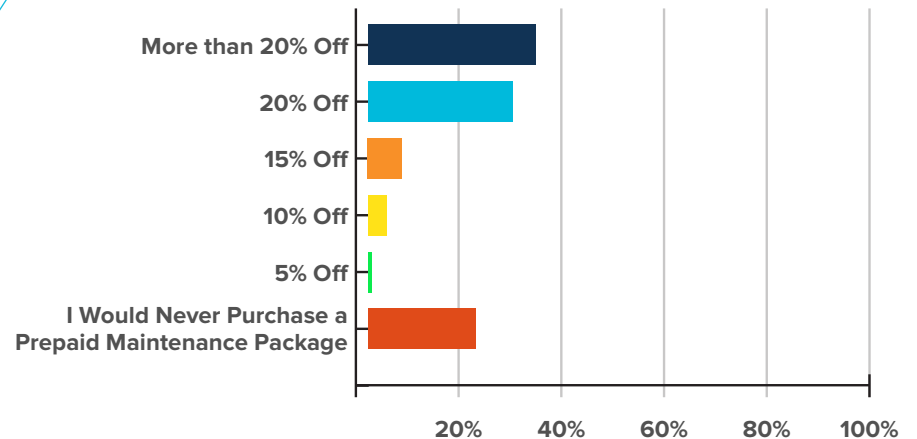
Most car dealerships sell prepaid maintenance (PPM) plans to their customers as part of their suite of offerings in the finance and insurance (F&I) department. But we wanted to gauge the size of the opportunity for dealerships to sell PPM packages well after the vehicle sale. How many existing service customers would consider buying one, and what would get them to do so?

In our research we found that **most customers (78%) would be likely to purchase a PPM package**, so long as they have the right discount. Offering a discount of 20% (think “buy 4, get the 5th free”) would satisfy 42% of customers, while 36% said they’d require a discount of more than 20%.

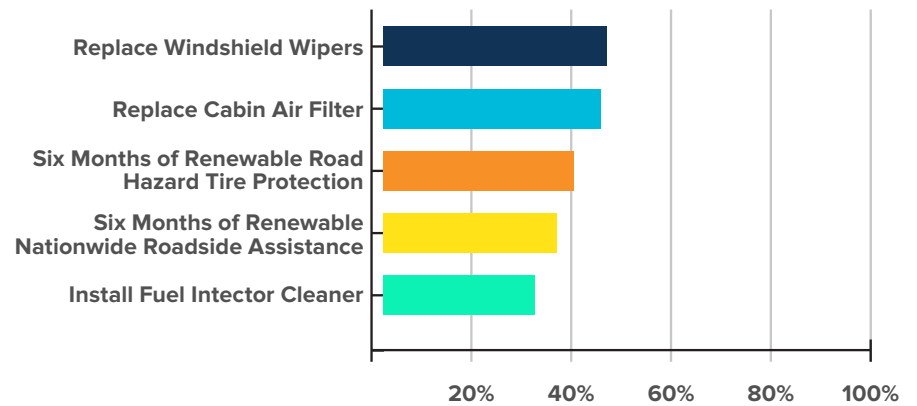
When you provide a **value-added inclusion** (e.g. replacing the cabin air filter or windshield wipers, or getting 6 months of either renewable roadside assistance or renewable road hazard tire protection) close to half of customers say they’re more likely to purchase a PPM package.

The findings are clear: prepaid maintenance packages offer another opportunity for dealerships to drive revenue and return visits. Dealerships owe it to themselves to stop restricting the PPM conversation to the F&I office and capitalize on this opportunity. We’ll discuss how to do this and further explore the impact it can have on your service department on page 32.

If your dealership allowed you to prepay for a package of service appointments, what is the minimum discount they would need to offer to make you likely to purchase a prepaid maintenance package?



In addition to an oil change and tire rotation, which of the following services would make you more likely to purchase a prepaid maintenance package if they were included?



CAPITALIZING ON SERVICE DEPARTMENT OPPORTUNITIES WITH DRIVESURE

DriveSure helps new-car dealerships become the only place their customers depend on for maintenance, tires, and repairs, with three unique services.

Renewable Benefits: Differentiate your dealership and improve service visit frequency by providing customers with a unique suite of renewable benefits with each qualifying service visit (such as an oil change). The benefits, including road hazard tire protection, dealer-loyal roadside assistance, and emergency alternate transportation coverage, stay active for the dealer-recommended service interval.

Maintenance Marketing System: Streamline service reminders and boost customer retention through personalized, multi-channel communication and intuitive access to information via customer portals and QR code windshield reminder stickers.

Prepaid Maintenance for the Service Lane: Drive revenue and retention by selling PPM packages directly from the service lane with a simple op code in your dealer management system (DMS).

So what kind of results does DriveSure create for dealerships? How does DriveSure help dealerships tackle the opportunities uncovered in this study? Let's explore.

PREPAID MAINTENANCE FOR THE SERVICE LANE

Selling prepaid maintenance from the service lane is a practical way to boost loyalty and increase revenue, and it's clear that customers are willing to buy it. However simply selling the same offerings you do in F&I won't cut it. You need something simple to sell, simple to understand, and simple to use.

That's why DriveSure offers a unique Prepaid Maintenance (PPM) solution designed specifically for the service lane in car dealerships. **With an 80% 12-month retention rate (compared to just 49% for customers that purchased an oil change), PPM packages drive up dealership revenue and customer loyalty.** Perhaps best of all, these plans are as easy to sell as entering an op code in your DMS.

We'll help you determine what to include in your packages and what to price them at. Then, let DriveSure automatically administer and communicate PPM packages to your customers and make the redemption process a breeze.

80%

12-month retention rate for customers that purchased a Prepaid Maintenance plan

VS.

49%

12-month retention rate for customers that purchased only an oil change

CUSTOMER LOYALTY

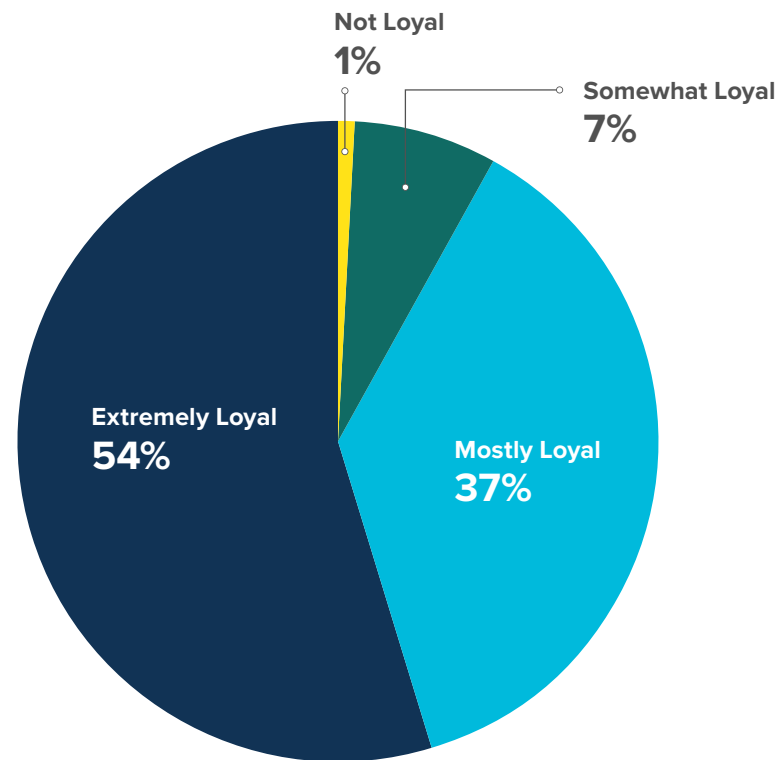
To help determine how effective DriveSure is in building loyalty with dealership customers, we asked our study participants (all of which had active DriveSure benefits in the 90 days before the survey) how loyal they are to their dealership.

85 percent responded that they are mostly or extremely loyal, with more than half (54%) identifying as extremely loyal, claiming “almost nothing would make me go somewhere else.” Less than two percent responded that they are not loyal.

Across all vehicle owners with DriveSure, dealerships see a 67% 12-month retention rate on average. This supports what our dealership customers often tell us: vehicle owners love their DriveSure benefits.

In addition to helping customers choose dealerships for their routine maintenance, DriveSure’s dealer-loyal roadside assistance brings them back for unplanned repairs too. If a vehicle owner with DriveSure benefits breaks down within 25 miles of the dealership, they’re towed back there automatically, rather than to the closest or tow-service-preferred repair location.

How loyal are you to the dealership where you currently service your vehicle?



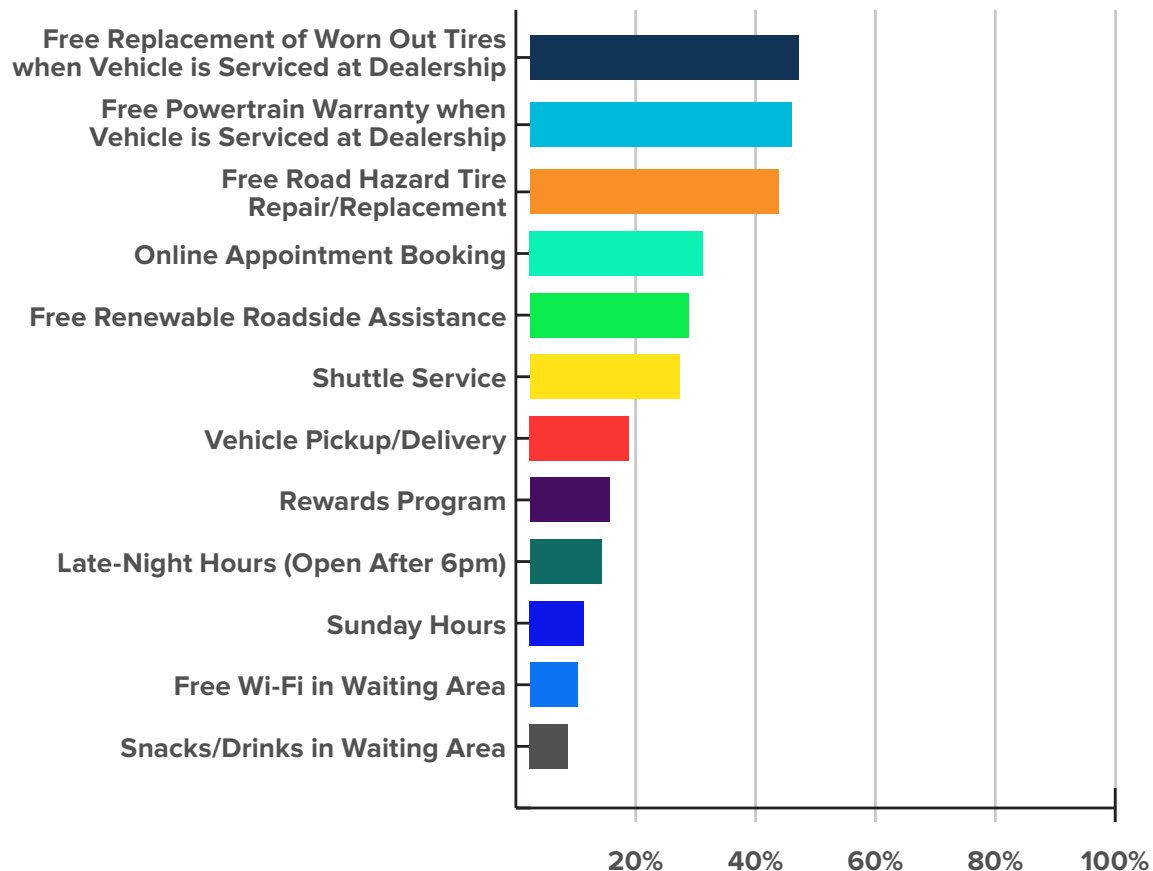
AMENITIES

One possible reason DriveSure is so effective in driving customer loyalty is that it allows dealerships to provide the amenities that customers find most valuable.

Of all the amenities listed, consumers showed that they preferred value-added incentives over more common amenities. When dealerships offer value-adds, like free road hazard tire repair/replacement and free roadside assistance, customers notice — especially because customers increasingly see road hazard tire protection as a top amenity.

Both of these benefits are included with every DriveSure Benefits Suite activation and renewal. And while value-adds like “tires for life” and powertrain warranties for service customers are attractive, they’re also difficult to implement and manage, and their many stipulations can cause friction with customers down the road. DriveSure benefits however, which are highly valued by nearly the same amount of customers, are designed to be extremely simple for dealerships — our team does all the heavy lifting for you.

Select the three amenities that are—or would be—the most valuable to you:



TIRES

As we've highlighted in this report, tires represent a key opportunity for dealerships. Two things are clear:

1. **DriveSure is effectively driving more tire business to dealerships.**
While auto dealerships account for about 10 percent of tire sales across the entire market, among vehicle owners with DriveSure surveyed for this report, 33 percent purchased their last set of tires at a dealership.
2. **Despite that success, there is still great room for dealerships to improve** since 29 percent of customers still aren't sure if their dealership offers tires and 57 percent purchased their last tires elsewhere.

DriveSure helps dealerships drive more tire business by including road hazard tire protection in the suite of benefits provided to customers. This helps customers begin to think of the dealership first as the place that helps them with tires. Just as important, if a customer needs to replace a tire due to damage, they come to you for the repair or replacement.

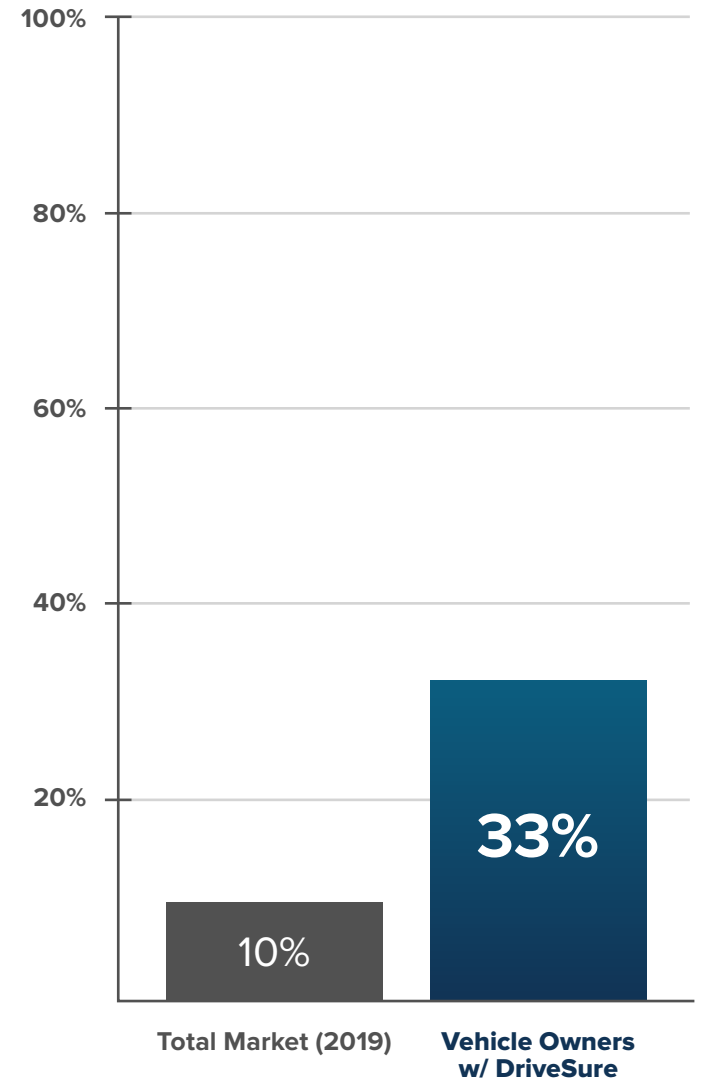
When dealerships lean into this effectively, it can help them grow their tire business significantly. But don't just take our word for it.



◀ **DOWNLOAD OUR CASE STUDY**

See the results for yourself in our case study about how one Parts and Service Director leveraged DriveSure to sell more tires at three different dealerships throughout his career.

Auto dealership share of tire sales:

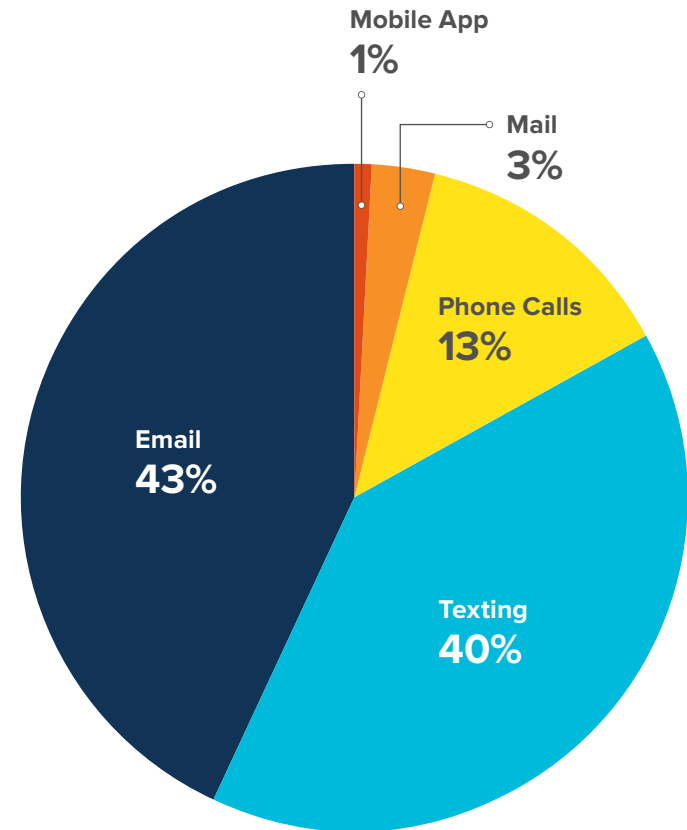


TEXT MESSAGING

This year's study emphasized a clear trend we predicted in 2020: text messaging has quickly become the preferred communication method for many vehicle owners. For dealerships that want to begin communicating with customers about upcoming service visits via text messaging or those looking to enhance their current texting strategy, DriveSure provides tools that make it easy.

With the Maintenance Marketing System, you can increase customer retention by streamlining service reminders and other customer communication through one-off messages and automated follow-ups across multiple channels. The system provides effective tools for advisors, enables multi-channel communication, automates reminders and customer interactions, and offers an intuitive customer portal.

Which communication method do you prefer most when receiving updates or information from your dealership *BETWEEN SERVICE VISITS*?





Ready to learn more about how DriveSure can help your dealership with these and other opportunities?

BOOK A FREE CONSULTATION TODAY!



BOOK A CALL

DriveSure
A **KREX** BRAND