



J.D. POWER

Using Text to Deliver a Better Customer Experience

J.D. Power 2019 Sales Satisfaction Index (SSI) Study
J.D. Power 2019 Customer Service Index (CSI) Study

Prepared for Podium

February 2020

Executive Summary

- Based on feedback from over 28,000 sales customers and 58,000 service customers, dealership use of text messaging during the shopping experience and after-sales process supports a significantly improved customer experience.
- While customer preference for text communications has increased at a steady rate, dealership usage has not kept pace. Service customer preference for text updates has increased from 21% to 34% over the past five years. Meanwhile, actual usage has only increased from 1% to 9%.
- Almost all brands benefit from increased text usage. Non-premium sales customers report a 10 point increase in satisfaction while service customers report a 26 point CSI lift. Yet no brands consistently provide their customers a text-friendly customer experience.
- Among all communication channels, text contributes to the most significant decrease in sales process time; 33% of customers who use text spend less than two hours at the dealership purchasing their vehicle.
- Use of text service updates creates the highest intended service loyalty among communication channels with 61% of non-premium customers and 64% of premium customers intending to return to their dealer for paid service.
- Across both purchase and after sales, text is the communication channel that creates the highest lift in both customer satisfaction and loyalty. Particularly in service, the progression from no contact at all to service text updates (172 points) is striking and addresses the more significant engagement that customers are seeking.

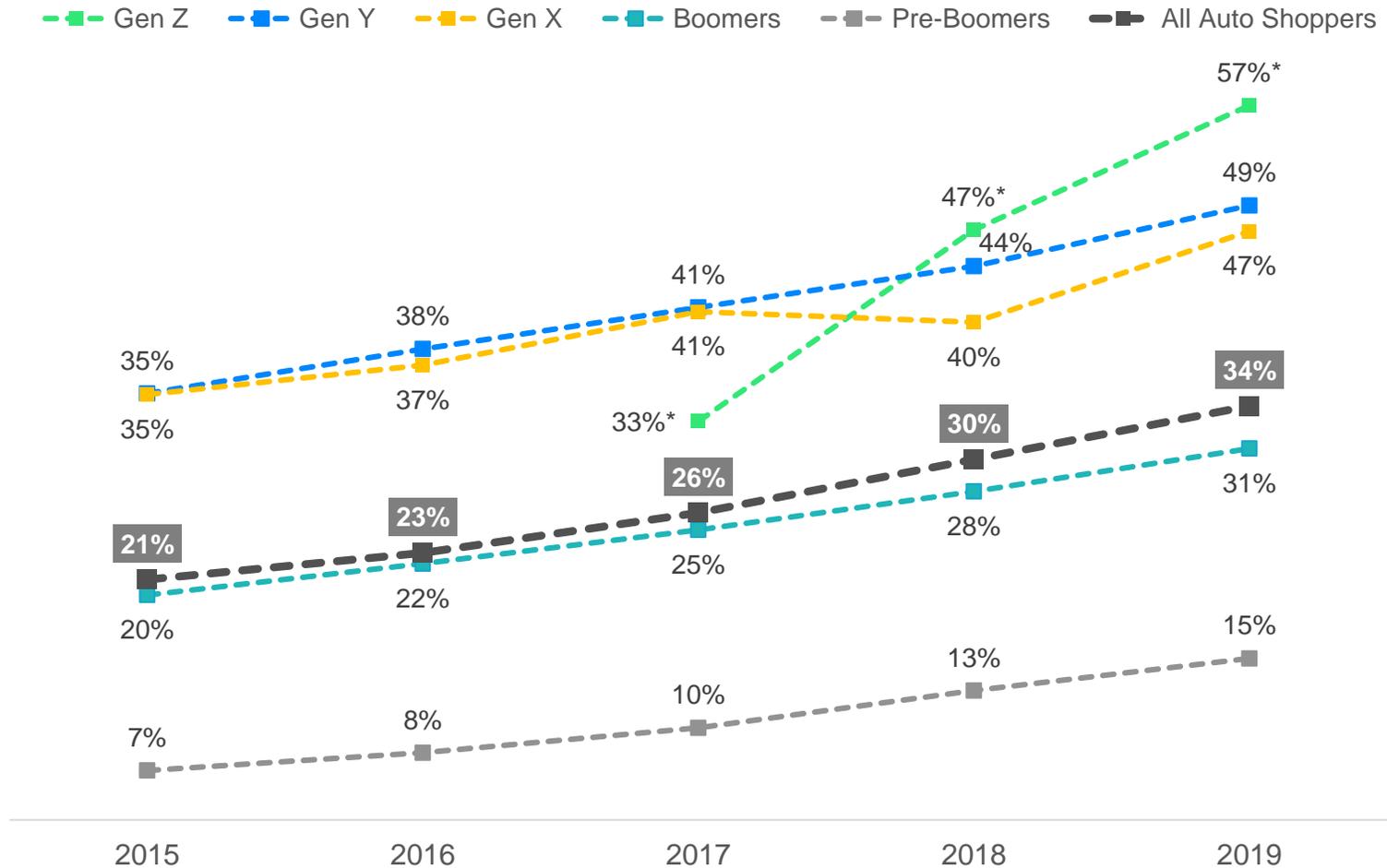
Customer Service Index (CSI)



Customer Text Messaging Preference Trend in Service Experience

In Auto Retail, trends can emerge slowly. By contrast, customer preference for service updates via texting messaging has been on the rise for all generations. In five years, customer preference for text has increased from 21% to 34%.

Preference to be Informed via Text Message

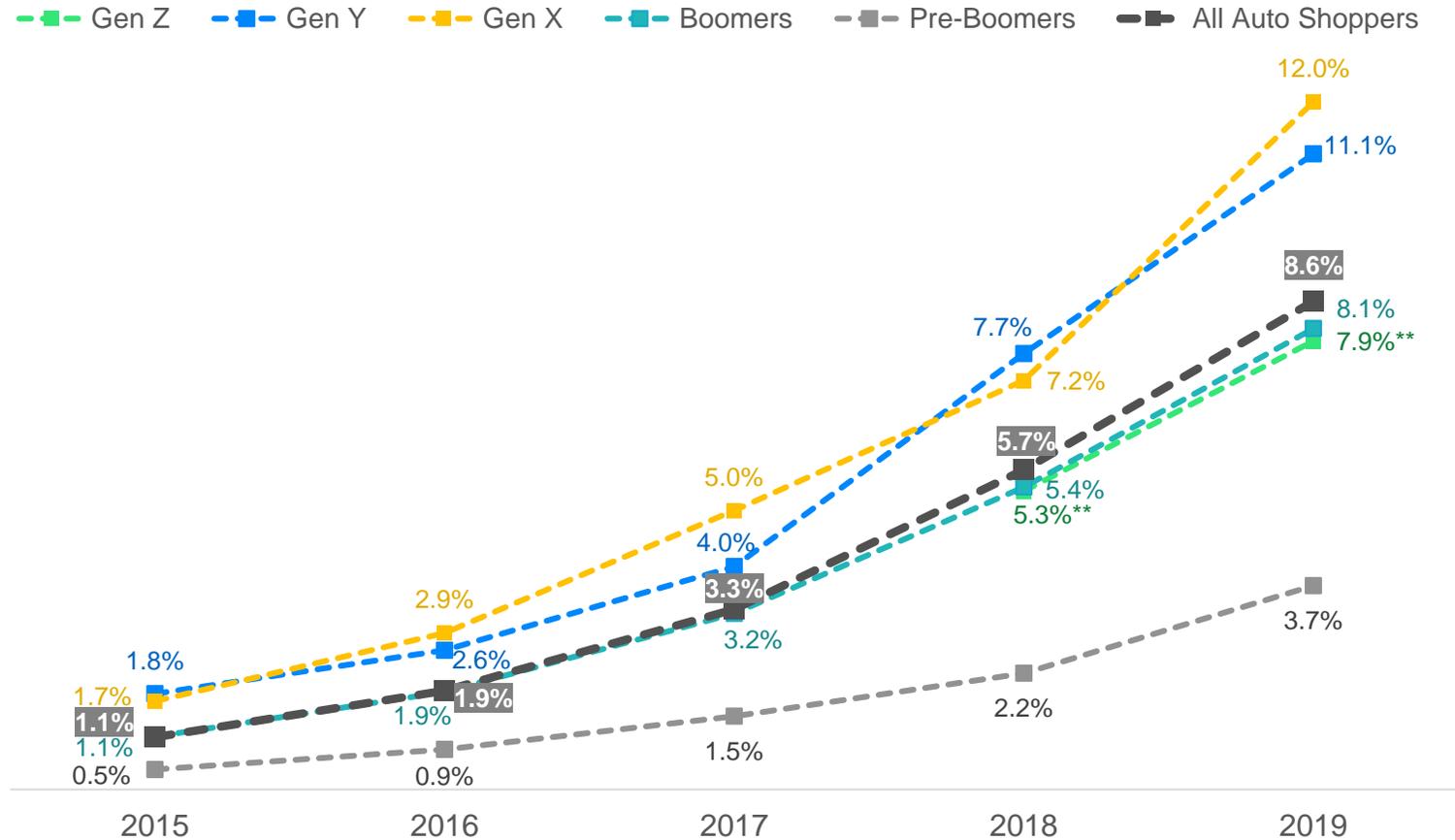


* Small Sample, n < 100
 ** Insufficient Sample, n < 30, not shown

Customer Text Messaging Usage Trend in Service Experience

Dealerships who are actually using text messaging in the service experience do not show the same growth rate. Usage is far below customer preference.

Customer Received Update via Text Message

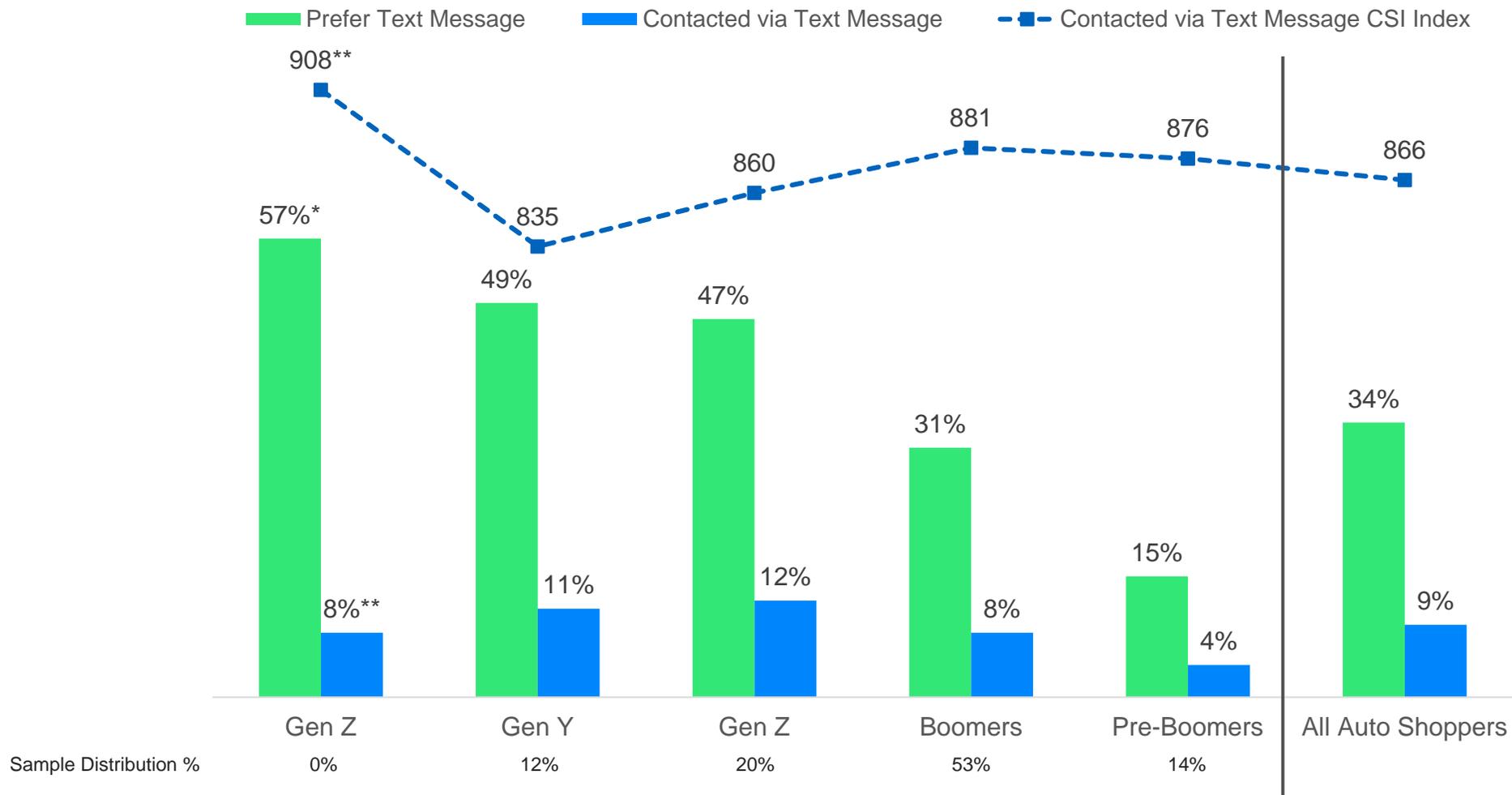


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Service Texting Across Generations and Satisfaction

Across all generations, customers have a strong preference for text messaging. Usage is weak among all groups.

Customer Received Update via Text Message



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Text Messaging CSI Satisfaction Impact

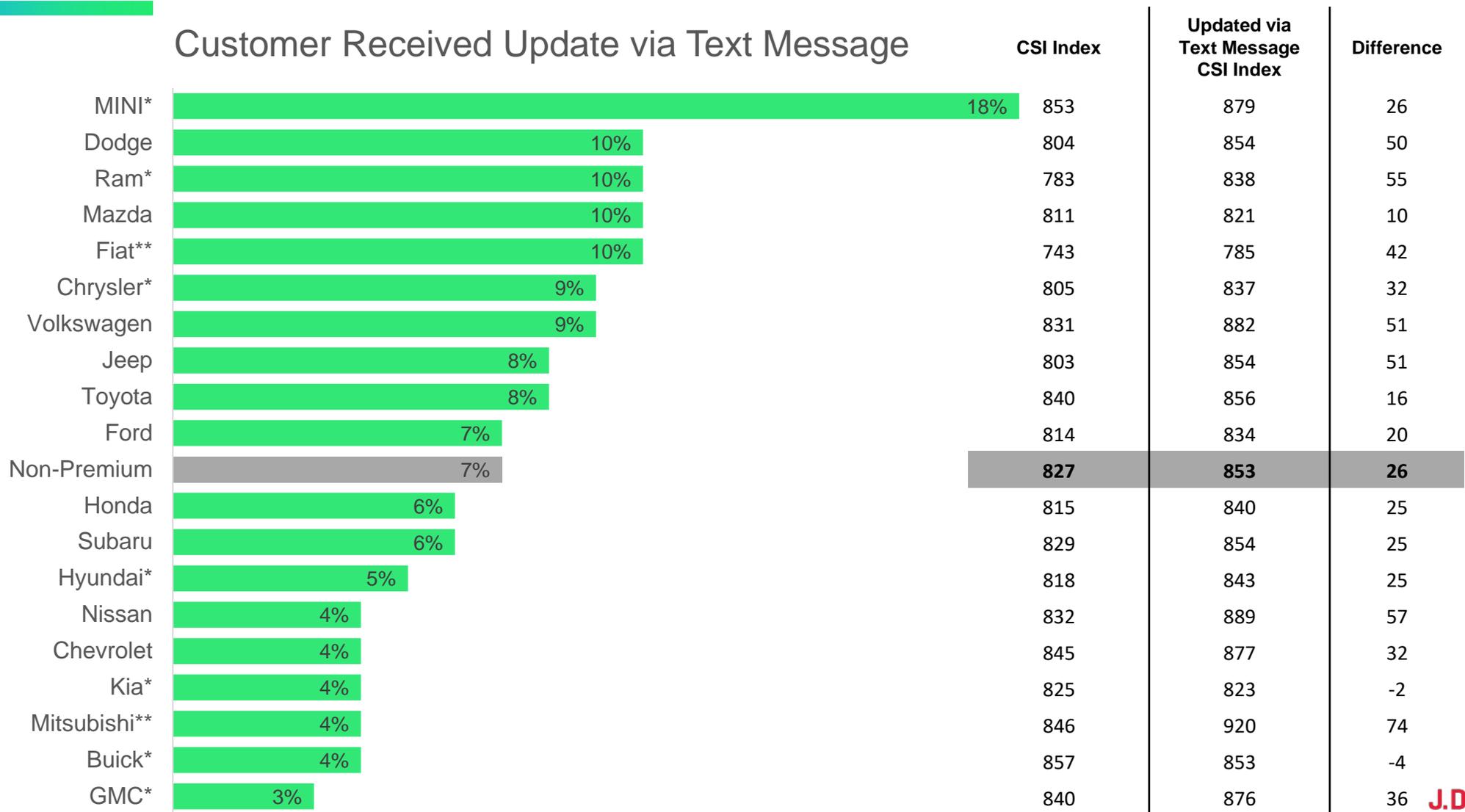
Text messaging for service updates delivers a better customer experience and outperforms phone calls in all CSI factors. Texting also creates a 190 point premium gap vs. no service advisor communication.

CSI and Attributes by Informed on Progress of Service Work	Text Messages	Dealership called customer	Customer called dealership	Not kept informed of the progress
	n=2,324	n=6,929	n=1,422	n=1,728
CSI - Non-Premium	853	828	712	680
Delta from Text Message to other method of contact		-25	-141	-172
% Sample Distribution	19%	56%	11%	14%

CSI and Attributes by Informed on Progress of Service Work	Text Messages	Dealership called customer	Customer called dealership	Not kept informed of the progress
	n=3,011	n=5,951	n=1,090	n=677
CSI - Premium	889	876	741	699
Delta from Text Message to other method of contact		-13	-148	-190
% Sample Distribution	28%	55%	10%	6%

There is tremendous variation in brand usage of service department text updates.....but on average experience a satisfaction lift of 26 points

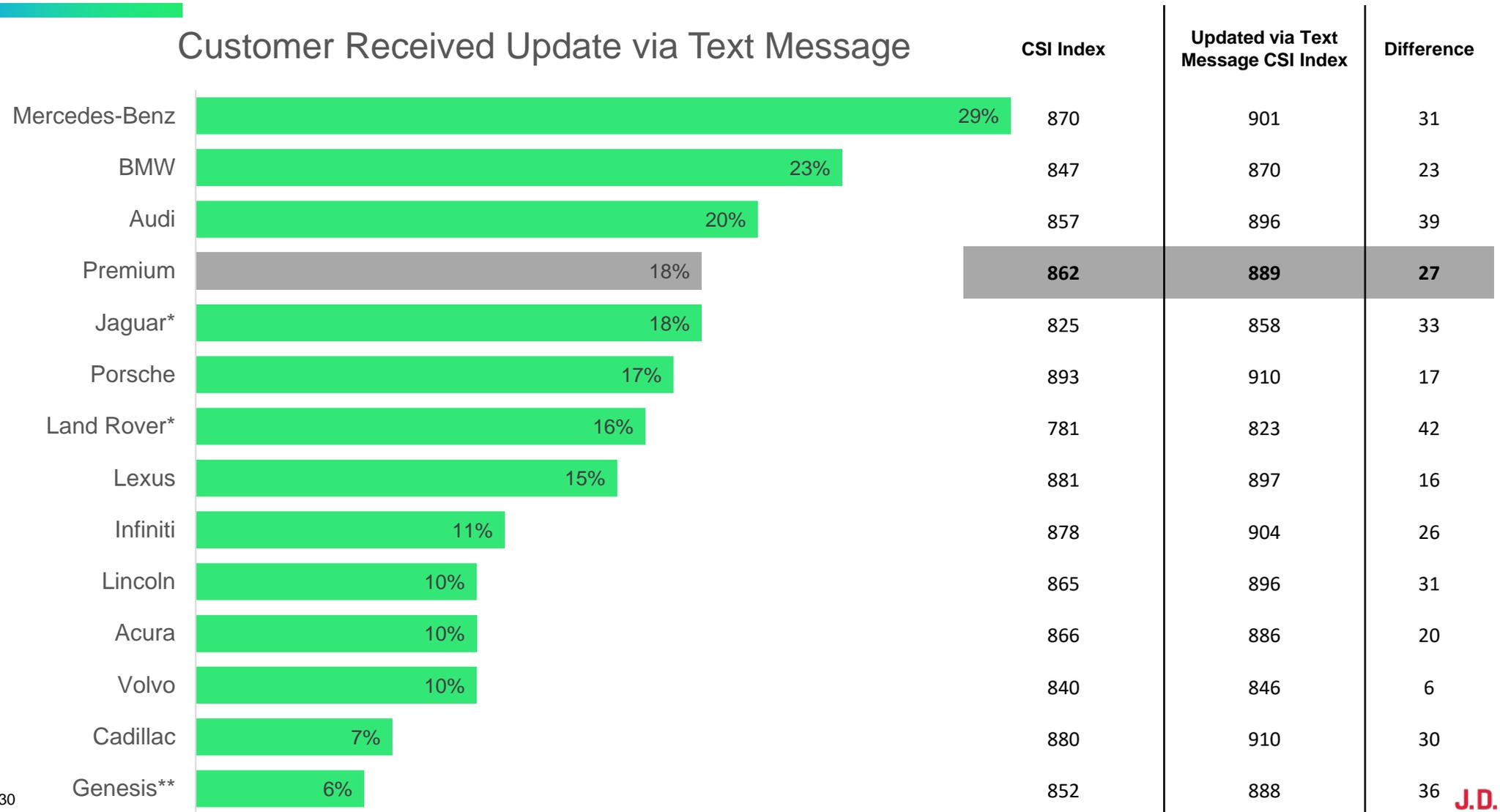
Non-Premium



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There is tremendous variation in brand usage of service department text updates.....but all experience a satisfaction lift

Premium



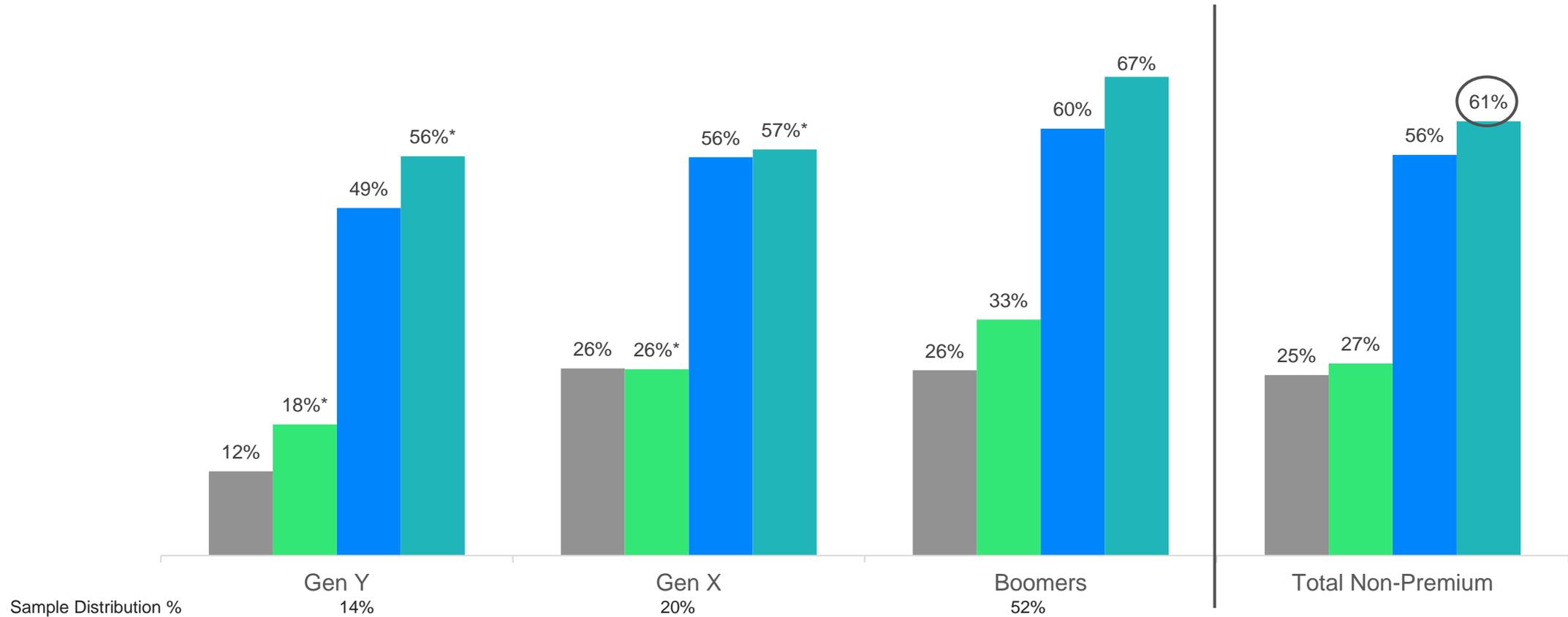
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Dealership use of text creates the highest intended service loyalty (61%)

Non-Premium

Definitely Will Return to Dealer for Paid Service

■ I was not kept informed of the progress ■ I called dealership ■ Dealership called me ■ Text message



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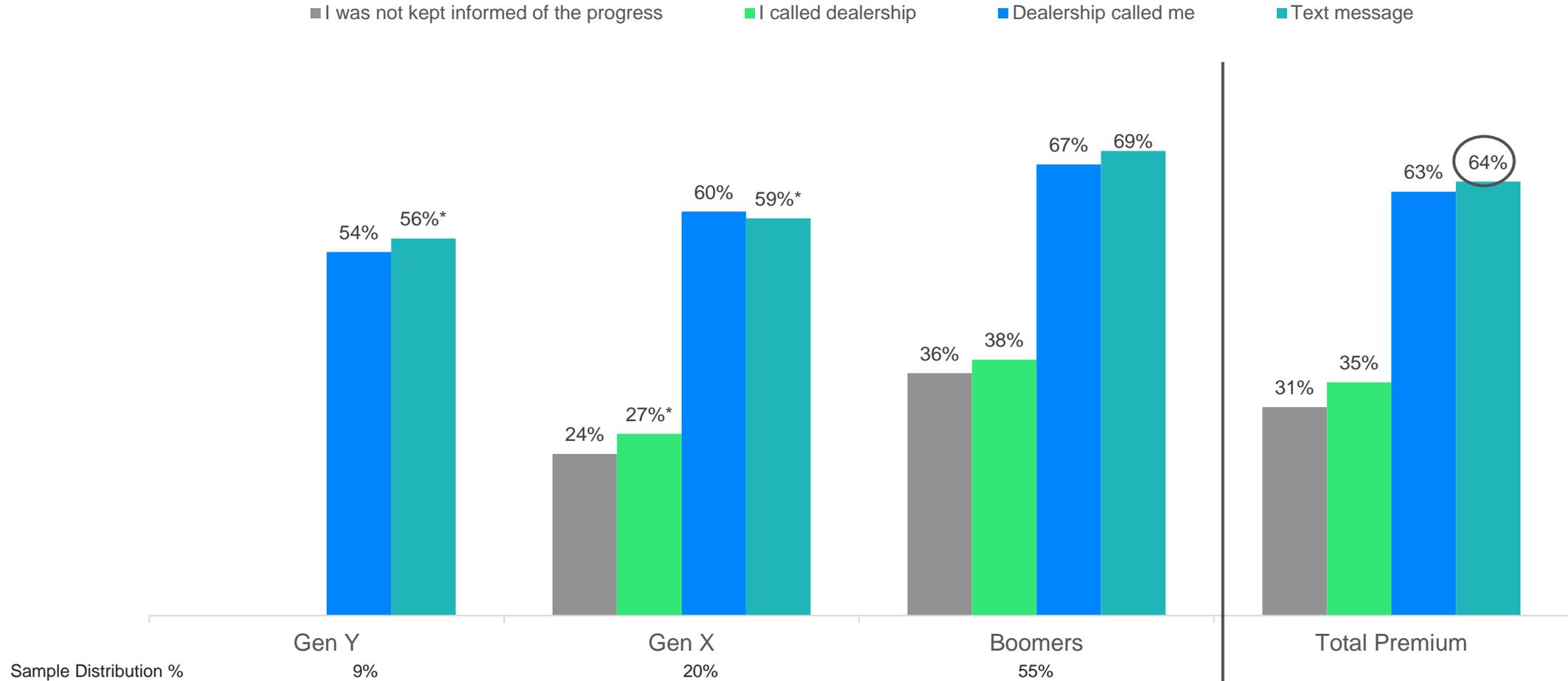
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Premium dealership use of text creates the highest intended service loyalty (64%). Note huge differences with no updates and customer driving the contact.

Premium

Definitely Will Return to Dealer for Paid Service



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Sales Satisfaction Index (SSI)

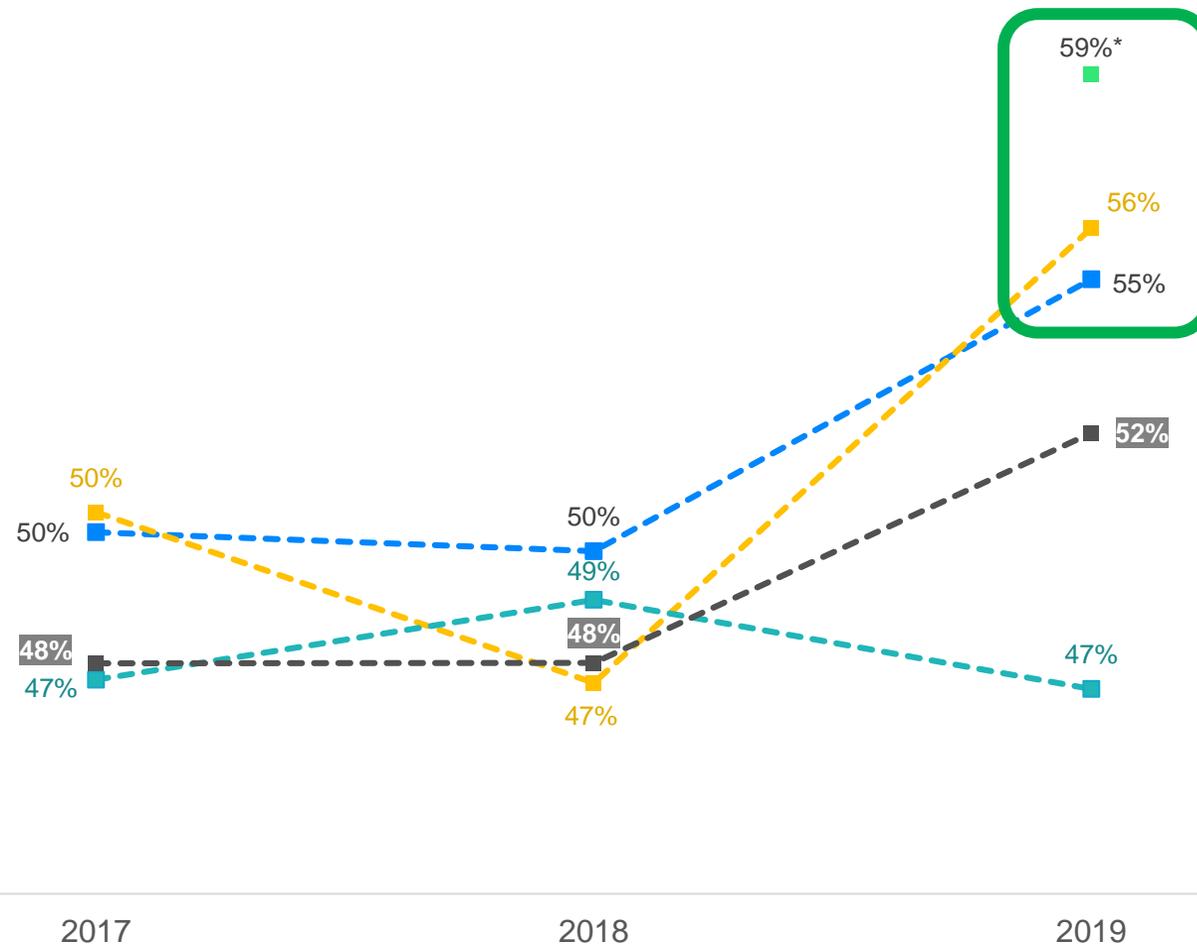


Text Usage Trend as Part of the Dealership Shopping and Purchase Experience

Using text messaging to contact dealership prior to purchase is on the rise for younger generation

Contacted Purchasing Dealership Prior to Visit via Text Message

Gen Z Gen Y Gen X Boomers All Auto Shoppers



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Text Messaging SSI Satisfaction Impact

Sales customers who text with their selling dealership report the best customer experience, including a 27 point non-premium gap vs. email communication.

Buyer Measures and Attributes by Contacted Purchasing Dealer Prior to Visit	Yes, by text message n=1644	Yes, by phone n=3318	Yes, by chat n=1036	Yes, by email/website form n=2071
Buyer Index - Non-Premium	837	831	831	810
Delta from Text Message to other method of contact		-6	-6	-27
% Sample distribution	20%	41%	13%	26%

Buyer Measures and Attributes by Contacted Purchasing Dealer Prior to Visit	Yes, by text message n=842	Yes, by phone n=1824	Yes, by email/website form n=1174	Yes, by chat n=422
Buyer Index - Premium	857	848	838	836
Delta from Text Message to other method of contact		-9	-19	-21
% Sample distribution	20%	43%	28%	10%

Customers from all brands are contacting dealership via text...with segment SSI improving 18 points

Non-Premium



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Customers from all brands are contacting dealership via text with premium SSI improving 10 points

Premium



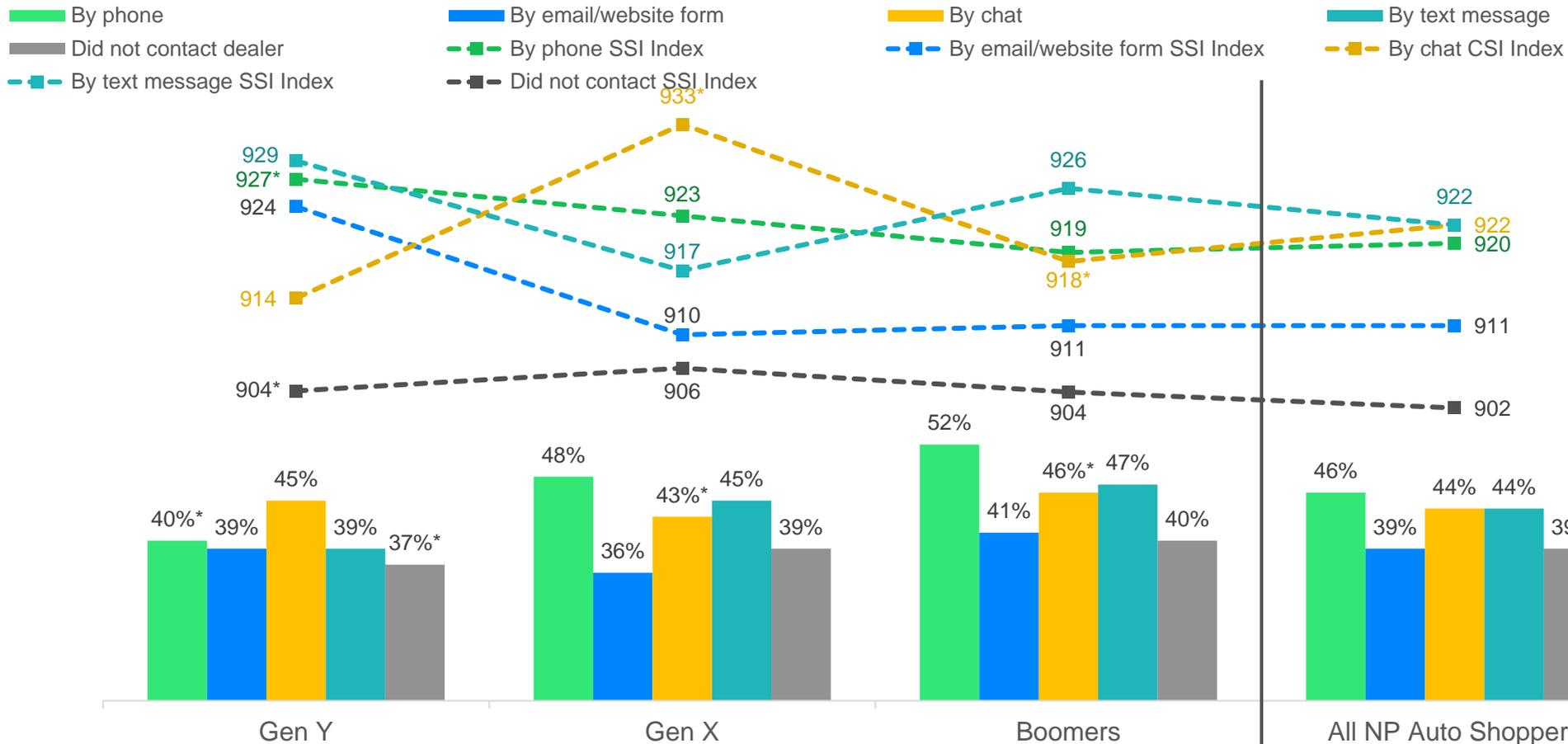
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Texting contributes to higher re-purchase intent than traditional email

Non-Premium

Definitely Will Purchase/Lease Vehicle from the Same Dealer



* Small Sample, n < 100

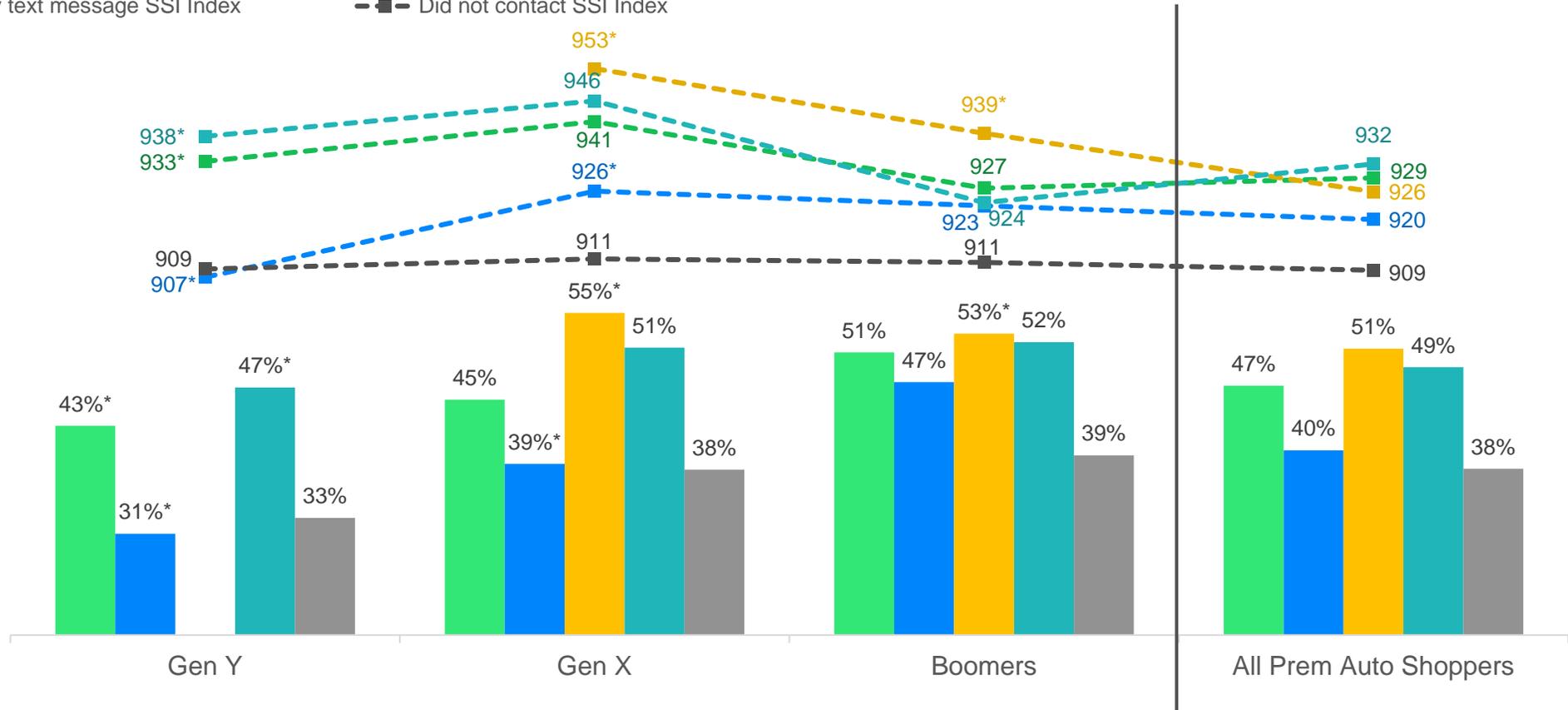
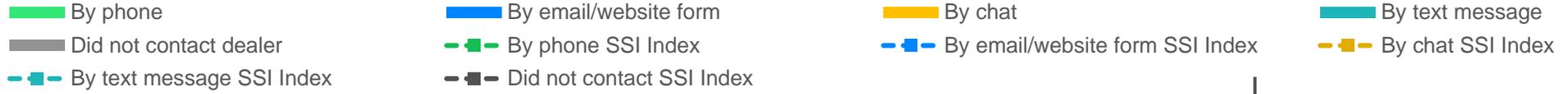
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Gen Z and Pre-Boomers excluded due to insufficient sample

Texting contributes to higher re-purchase intent than traditional email

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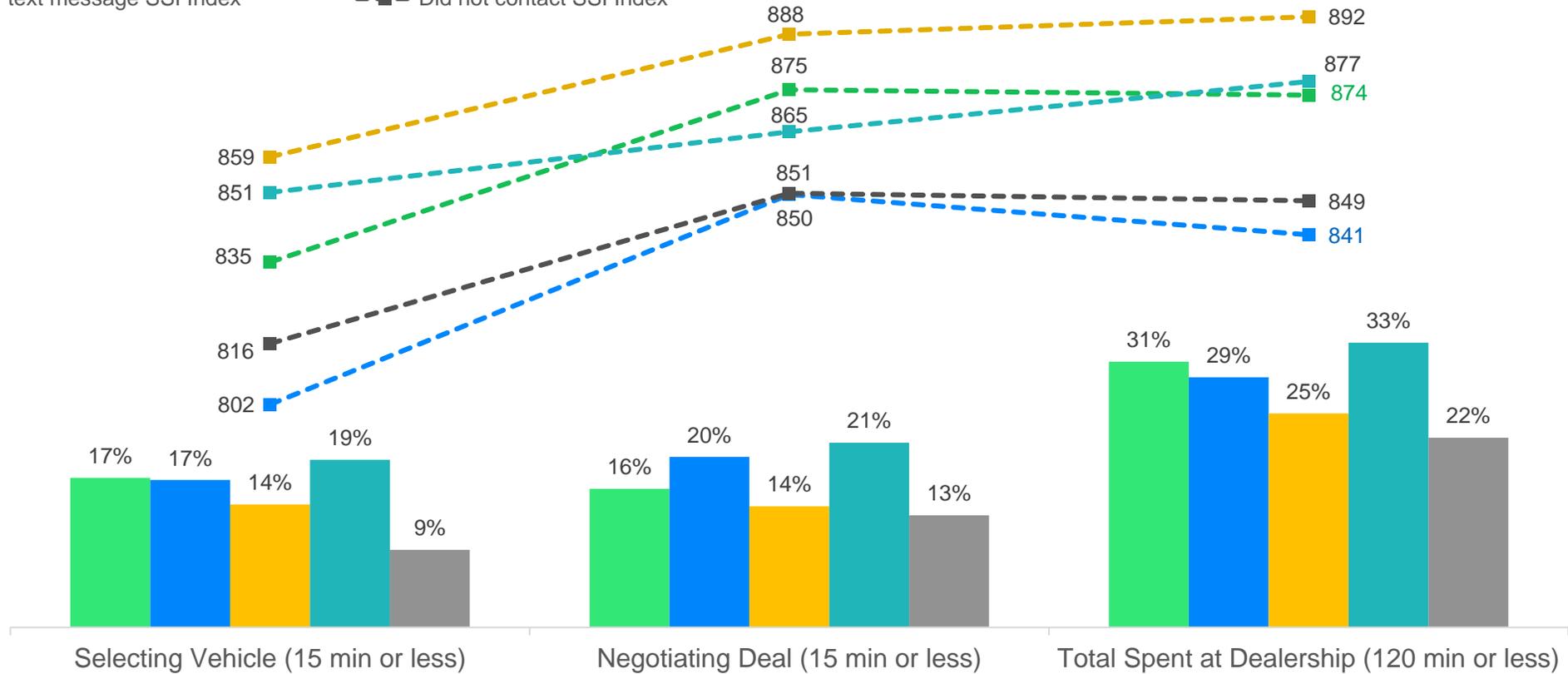
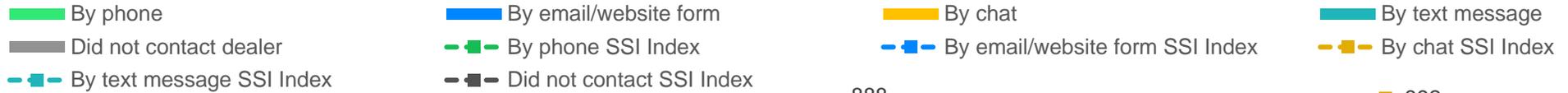
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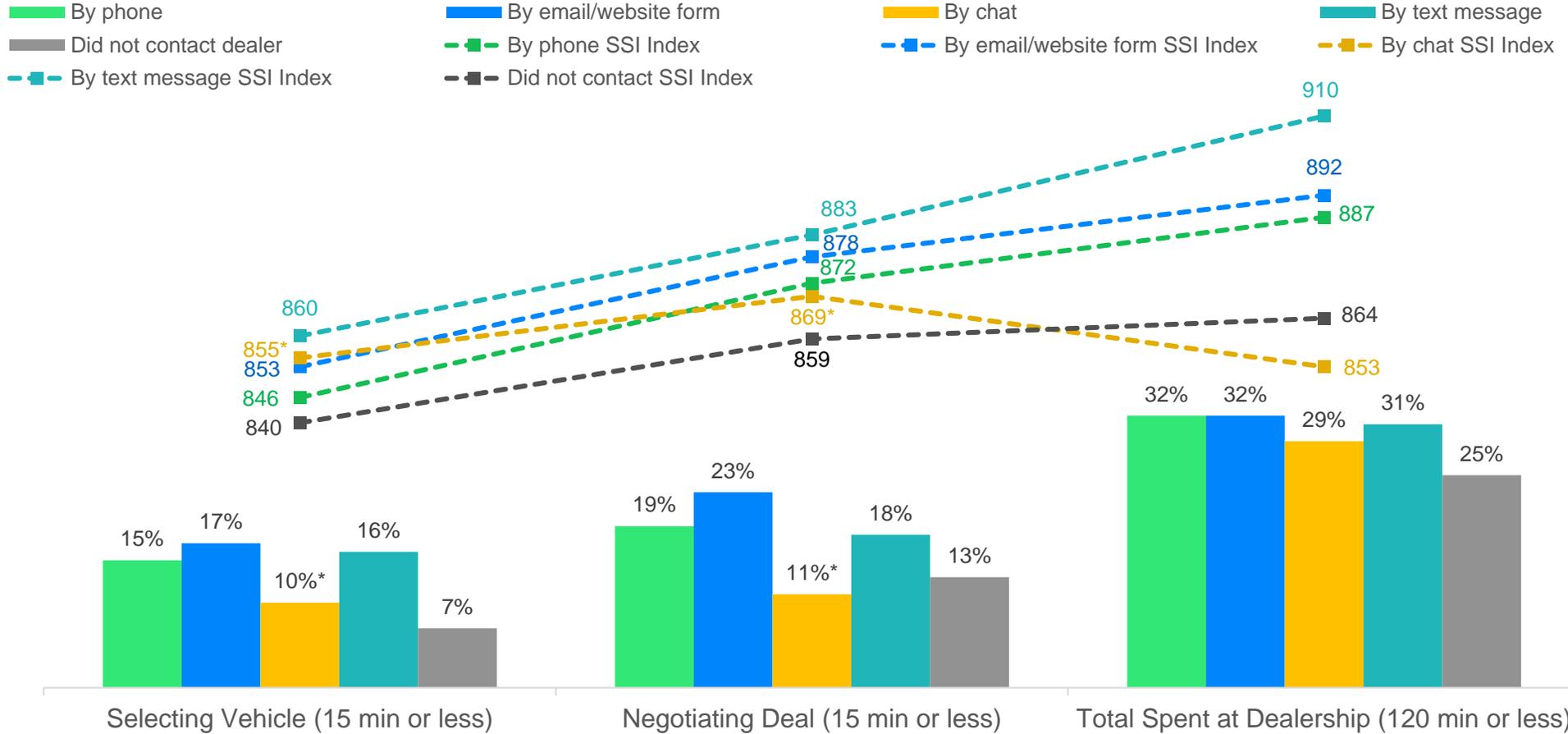
Non-Premium customers are spending less time at dealerships when they contact dealership via text message prior to visit

Time Spent vs Method Contacted Dealership



Premium customers have highest satisfaction when they use text messaging

Time Spent vs Method Contacted Dealership



* Small Sample, n < 100

Text is helping dealers shorten dealership transaction times and dramatically improve satisfaction

Non-Premium

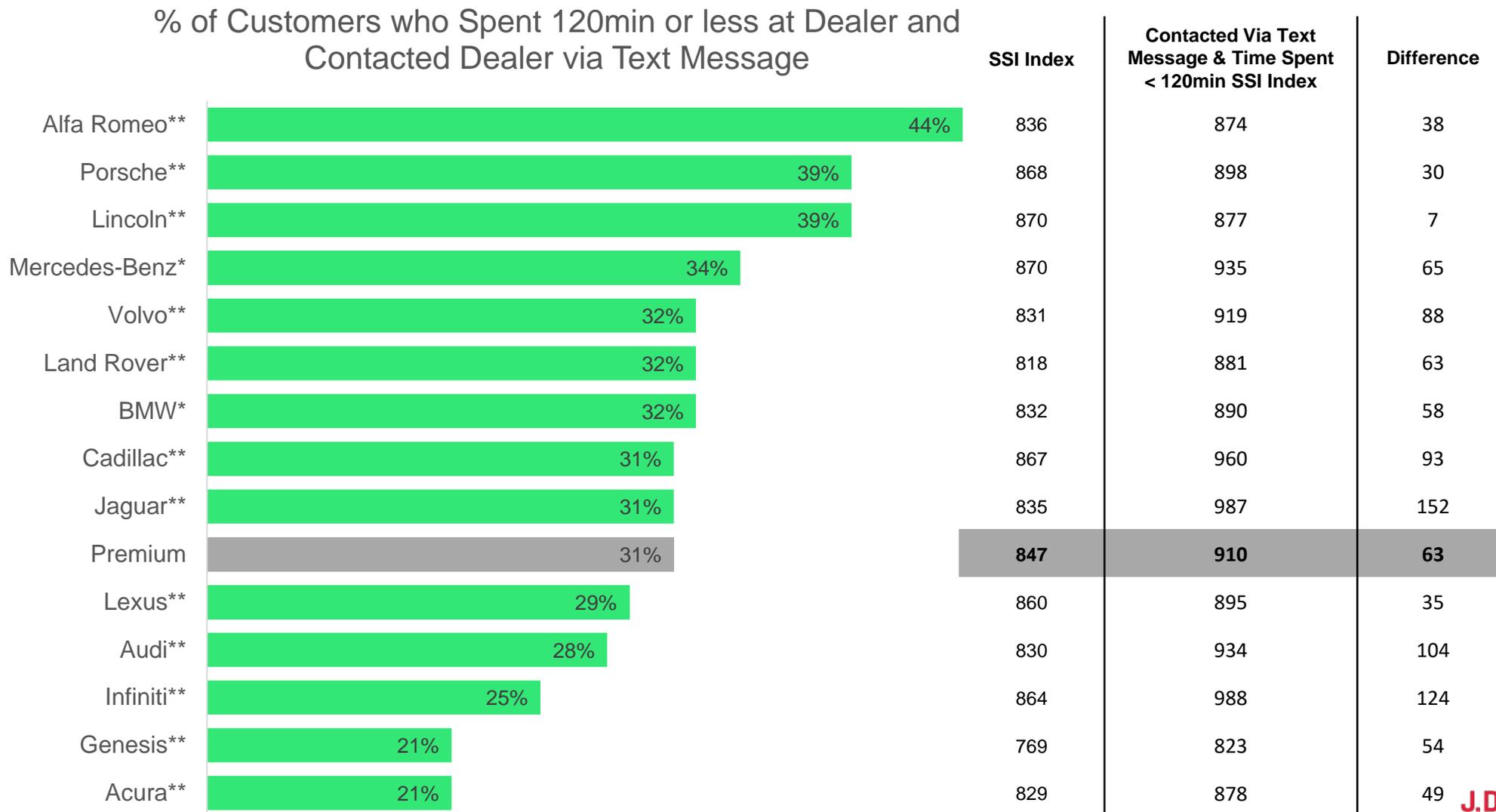
% of Customers who Spent 120min or less at Dealer and Contacted Dealer via Text Message

	SSI Index	Contacted Via Text Message & Time Spent < 120min SSI Index	Difference
Jeep*	807	876	69
GMC*	839	866	27
Ram**	804	865	61
Chevrolet*	837	920	83
Mitsubishi**	820	812	-8
Fiat**	778	814	36
Volkswagen**	828	895	67
Ford*	833	915	82
Nissan*	822	899	77
Non-Premium	819	877	58
Buick**	842	895	53
Hyundai**	796	820	24
Dodge**	803	917	114
Honda*	815	813	-2
Toyota*	813	863	50
MINI**	827	970	143
Subaru**	829	895	66
Mazda**	801	807	6
Kia**	791	825	34
Chrysler**	798	884	86

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Appendix

CSI Index Model

Service Initiation



- Ease of scheduling service visit (43%)
- Timeliness of drop-off process (57%)

Service Advisor



- Courtesy of service advisor (19%)
- Responsiveness of service advisor (19%)
- Thoroughness of explanations (25%)
- Knowledge of service advisor (37%)

Service Facility



- Ease of driving in/out of facility (22%)
- Cleanliness of dealership (27%)
- Comfort of waiting area (16%)
- Amenities offered by the dealership (35%)

Vehicle Pick-Up

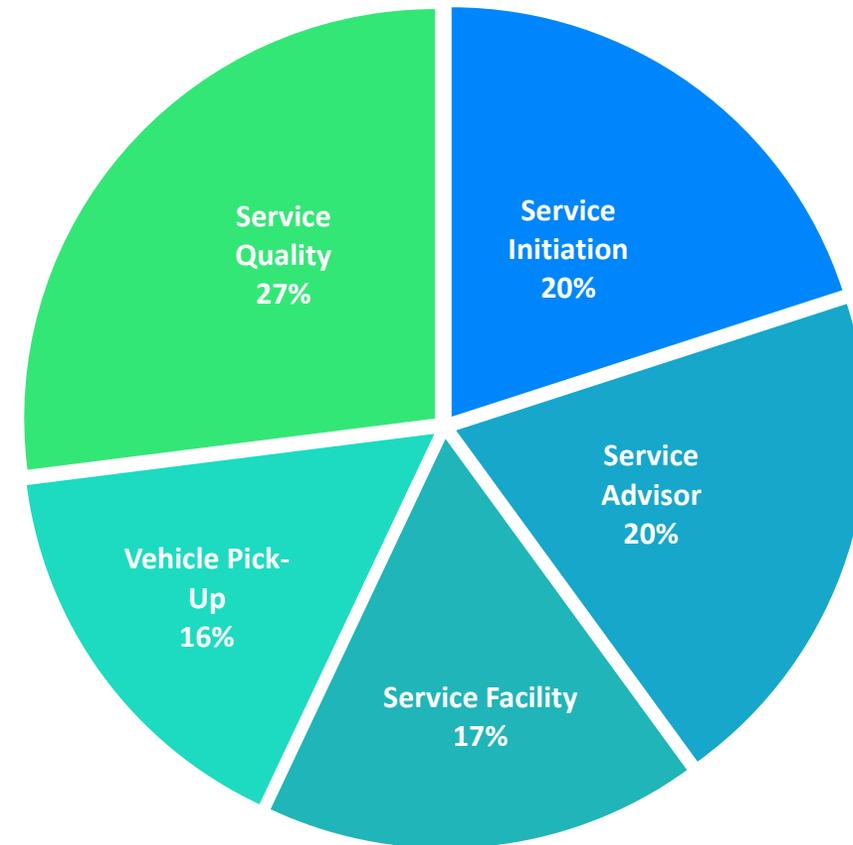


- Timeliness of the pick-up process (34%)
- Fairness of the charges (27%)
- Helpfulness of staff at pick-up (39%)

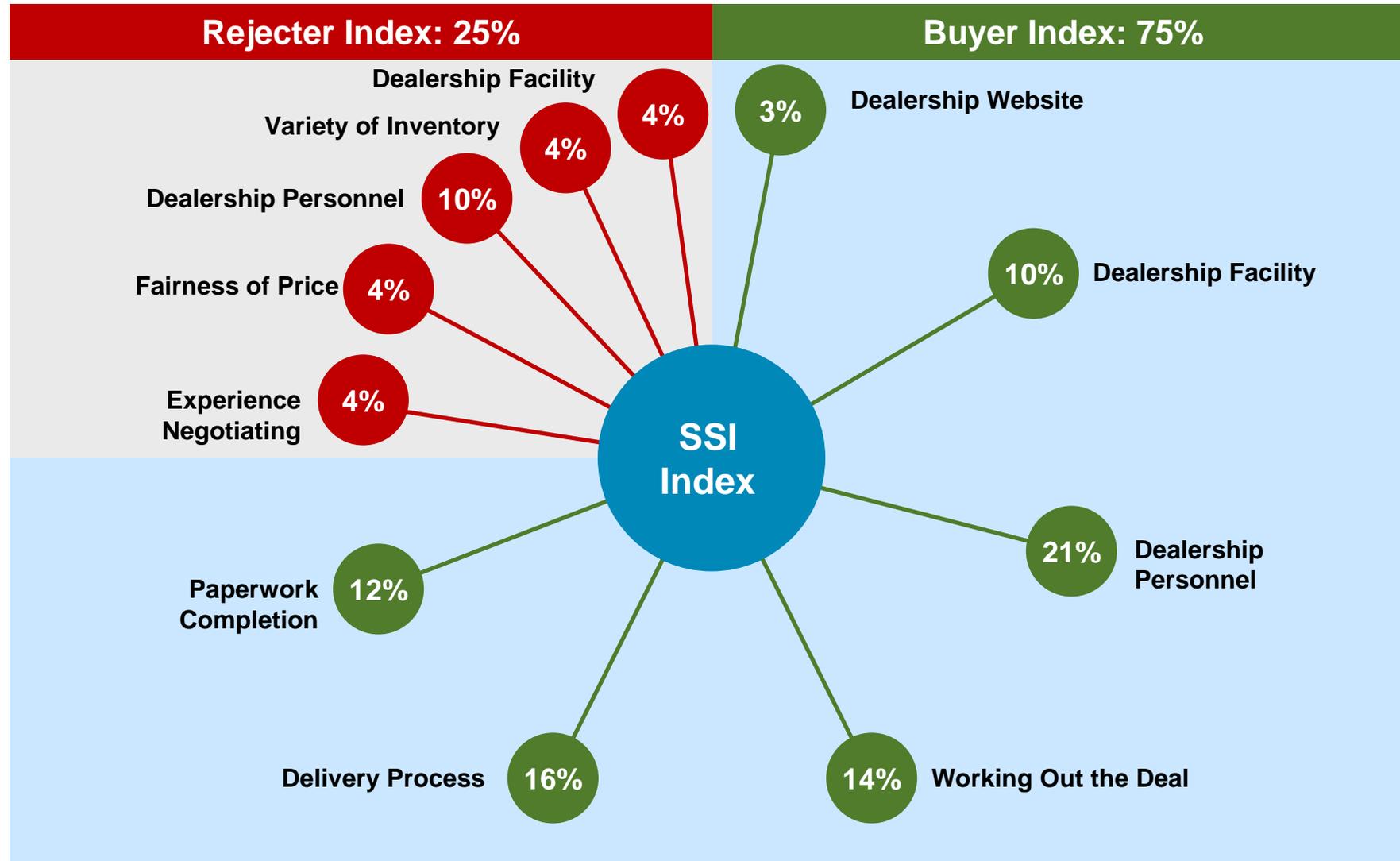
Service Quality



- Total time required to complete service on your vehicle (21%)
- Thoroughness of maintenance/repair work performed (48%)
- Condition of vehicle on return (31%)

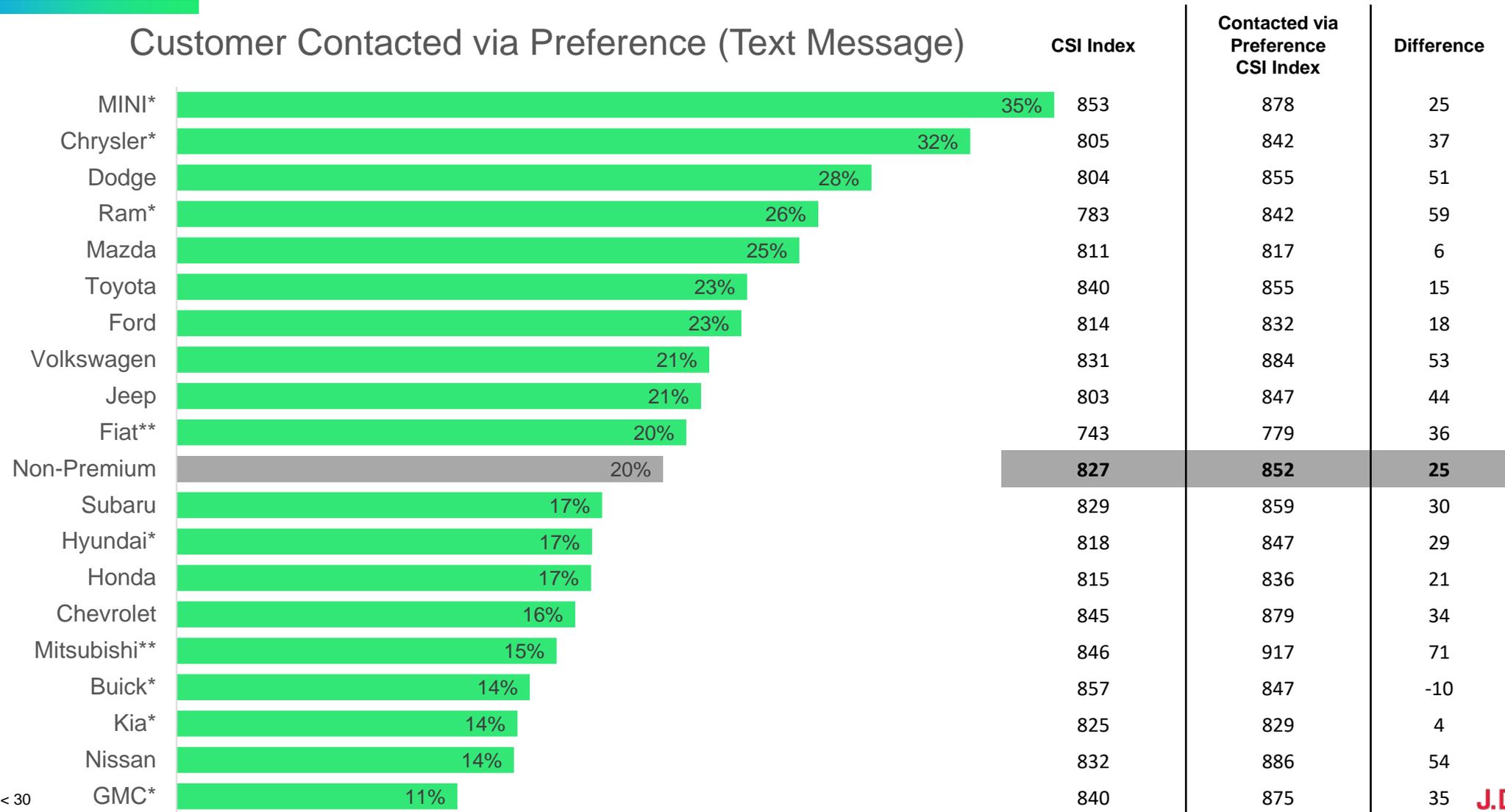


SSI Index Model



Very few customers are updated in their method of preference

Non-Premium



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Few customers are updated in their method of preference

Premium Brands do a much better job at contacting customers using their preferred method of contact

Customer Contacted via Preference (Text Message)

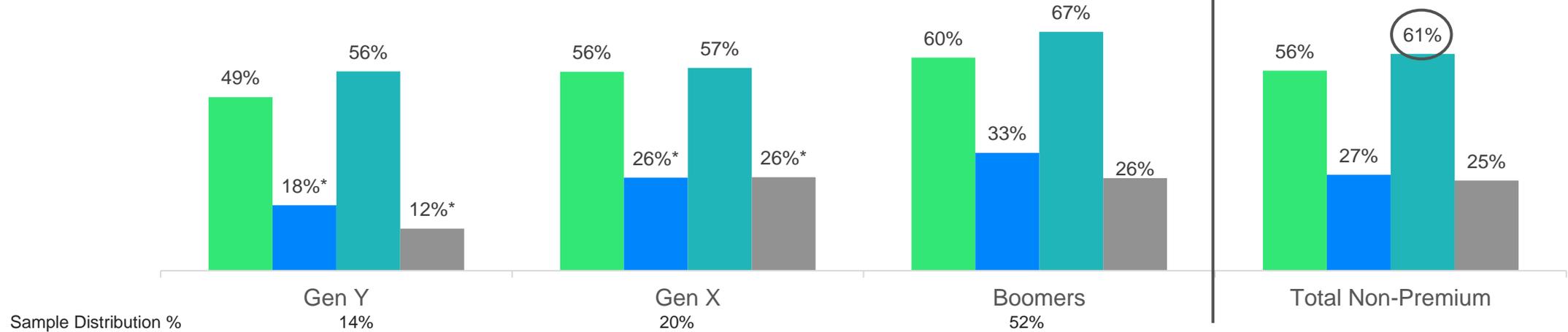
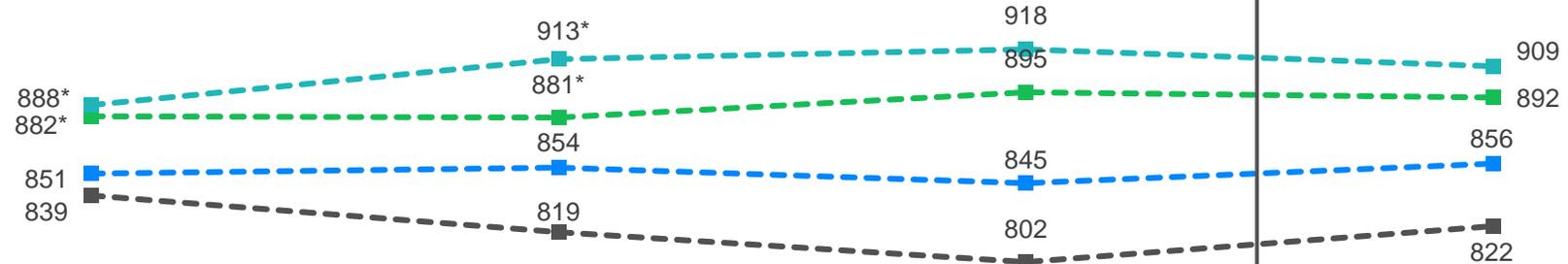
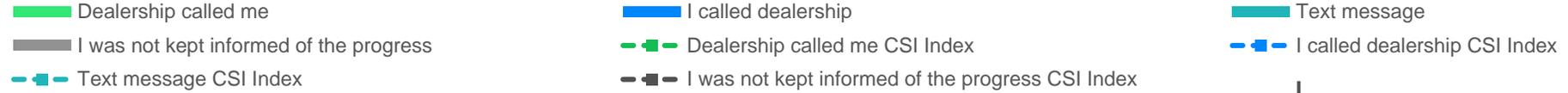
	CSI Index	Contacted via Preference CSI Index	Difference
Mercedes-Benz	870	903	33
BMW	847	871	24
Jaguar*	825	866	41
Premium	862	890	28
Audi	857	895	38
Lexus	881	897	16
Porsche	893	914	21
Lincoln	865	898	33
Land Rover*	781	820	39
Acura	866	885	19
Infiniti	878	913	35
Cadillac	880	912	32
Volvo	840	850	10
Genesis**	852	893	41

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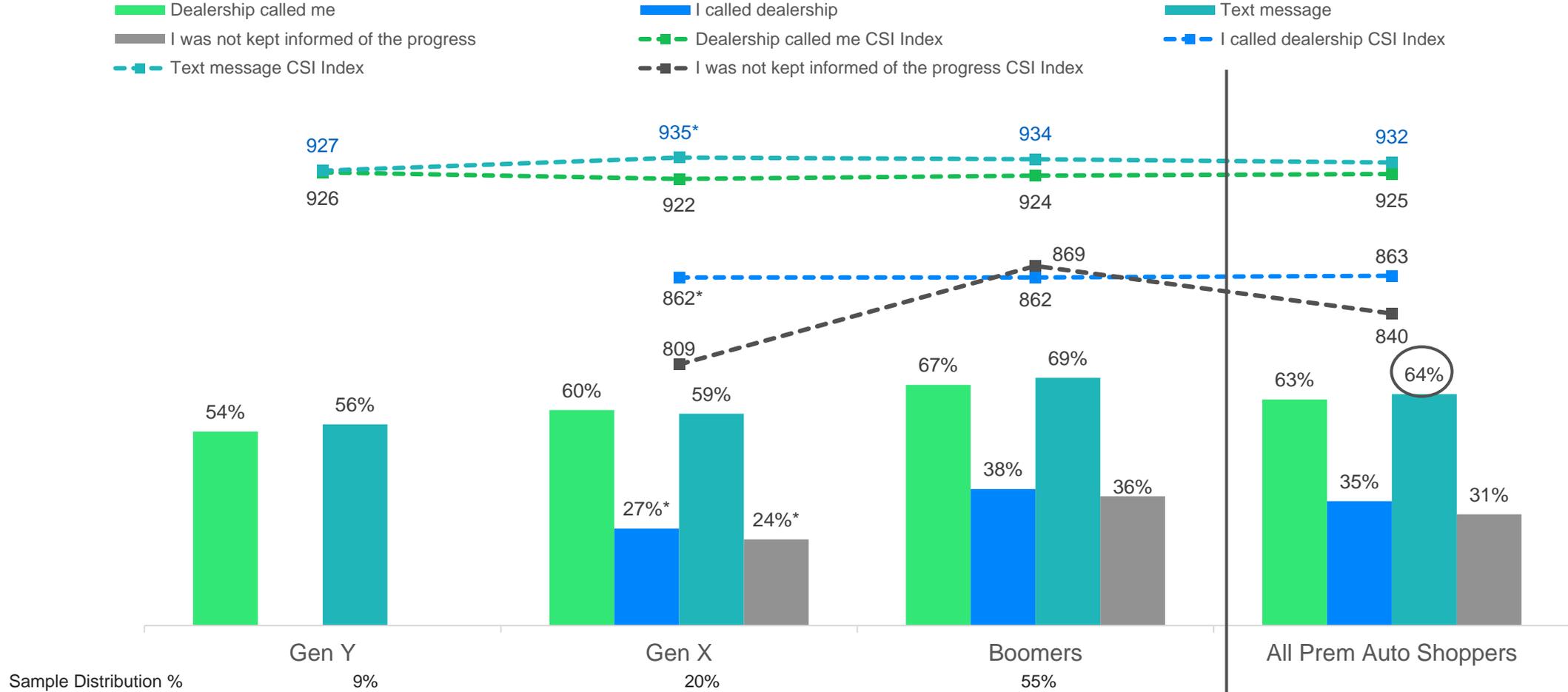
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