

**J.D. Power Reports:  
Increase in Luxury Vehicle Sales in India Puts Strain on Dealer Service Centers  
And Negatively Impacts Owner Satisfaction**

[Mercedes-Benz Ranks Highest Among Luxury Brands In Customer Satisfaction with Dealer Service in India](#)

**Singapore: 12 December 2014** — Luxury vehicle sales in India have more than doubled in the past year and the sales growth is creating challenges for the dealer service departments to keep up with increased demand for maintenance and repairs, according to the J.D. Power 2014 India Customer Service Index (CSI) Study<sup>SM</sup> luxury segment, released today.

The study, now in its 2nd year, measures satisfaction among luxury vehicle owners who visit an authorized dealership service center for maintenance or repair work between the first 12 to 24 months of vehicle ownership. The study measures overall satisfaction in five factors (listed in order of importance): service quality (43%); vehicle pick-up (17%); service advisor (14%); service facility (14%); and service initiation (11%). Overall customer satisfaction is measured on a 1,000-point scale, with a higher score indicating higher satisfaction.

Luxury new-vehicle sales in India have increased 112 percent to 35,541 units in 2014 from 16,804 units in 2013. As a result of the surge in new-vehicle sales, luxury vehicle manufacturers' workshops are finding it difficult to align their service levels with customer expectations.

Overall luxury customer satisfaction with their dealership service experience averages 843 in 2014, a significant 33-point decline from 2013. Satisfaction drops in all factors in 2014 with the largest decrease of 36 points each in service initiation and service facility.

"With the increase in the volume of luxury segment cars in India, there is inherent pressure being exerted on the workshops' infrastructure and processes," said Mohit Arora, executive director at J.D. Power Asia Pacific, Singapore. "The key to maintaining a consistent performance will be the speed and adaptability with which the automakers and their workshops align to this changing market condition."

The study identifies 22 service standards that enhance the overall customer service experience. Satisfaction among the 22 percent of luxury owners who indicate all 22 service standards were met averages 890. When 21 or fewer service standards are implemented, satisfaction falls to 849.

### **KEY FINDINGS**

- The study finds that 84 percent of luxury vehicle owners scheduled service by appointment in 2014, up from 77 percent point in 2013. However, among customers who make an appointment, the waiting time increased by five percent from 2013, leading to the decline in overall satisfaction.
- Owners expect their vehicles to be ready when originally promised. Satisfaction drops to 698 when the dealerships take more time than expected. Satisfaction declines even more—to 590—when the owners are not informed about the delay. Among owners whose service took longer than expected, only 53 percent were informed about the delay in 2014, down from 64 percent in 2013.
- The percentage of luxury vehicle owners who indicate their vehicle was ready on the same day they took it in for service drops to 56 percent in 2014 from 59 percent in 2013.
- Overall satisfaction among the 78 percent of customers who indicate that they have received thorough explanation of their service charges is 863, compared with 772 among the customers who receive no explanation or partial explanations.
- Achieving high service satisfaction is critical for customer advocacy and loyalty. Among vehicle owners who are highly satisfied with their dealer service (overall satisfaction scores of 888 or higher), 89 percent indicate they “definitely would” recommend their service dealer to a friend or relative. In contrast, only 64 percent of less satisfied owners (scores of 808 or lower) indicate the same. Further, 92 percent of highly satisfied customers state they “definitely would” revisit their service dealer for post-warranty service. In contrast, only 54 percent of highly dissatisfied customers mention the same.

### **2014 India CSI Luxury Brand Rankings**

Mercedes-Benz ranks highest in customer satisfaction with dealer service among luxury brands with a score of 855. Mercedes-Benz performs particularly well in all factors.

The 2014 India Customer Service Index Study is based on responses from 257 vehicle owners in the luxury segment who received delivery of their new vehicle between May 2012 and August 2013 and took their vehicle for service to an authorized dealer or service center between October 2013 and August 2014. The study was fielded between May and August 2014.

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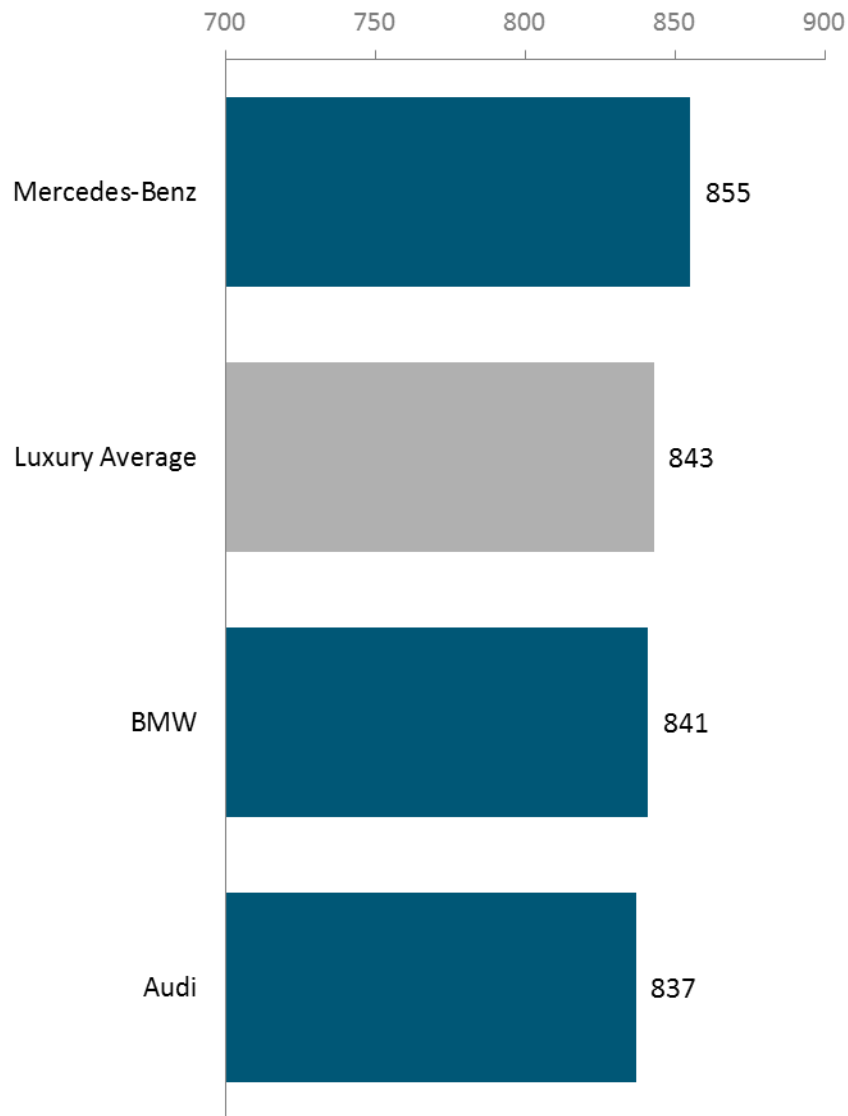
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Note: Two charts follow.

# J.D. Power Asia Pacific 2014 India Customer Service Index (CSI) Study<sup>SM</sup>

## Customer Service Index Ranking Luxury Brands

(Based on a 1,000-point scale)



*Note: Rankings are in alphabetical order when there is a tie.*

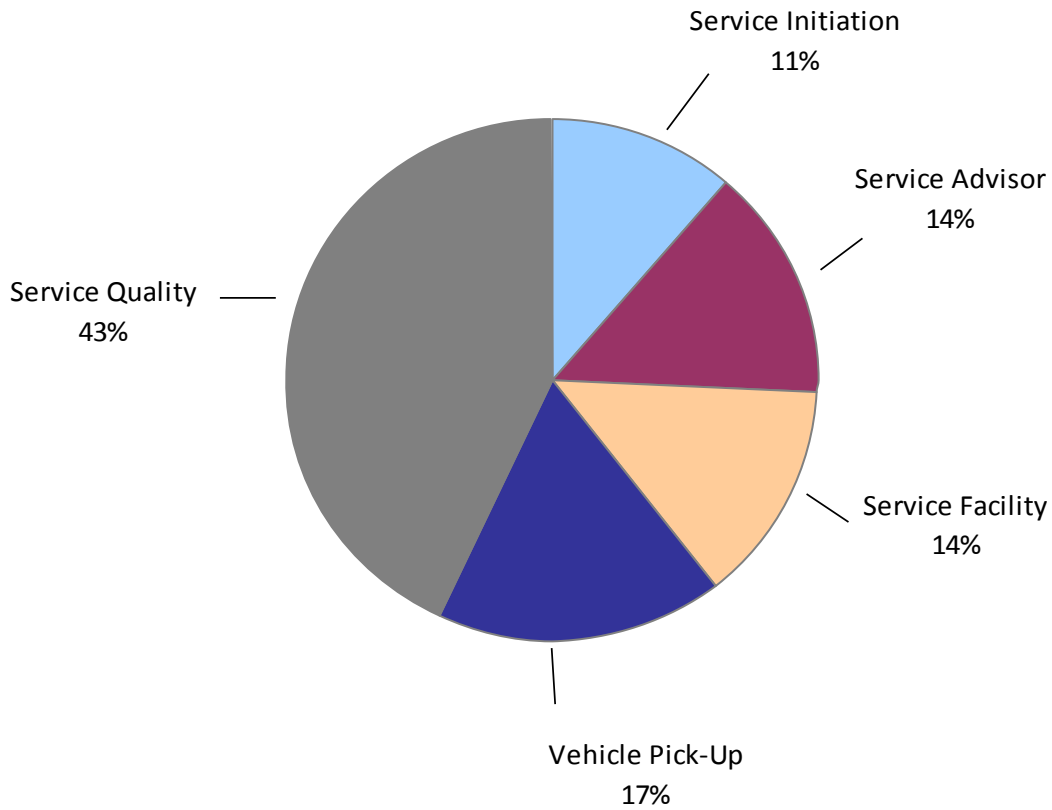
*Note: Included in the study but not ranked due to insufficient sample size is Ssangyong.*

*Source: J.D. Power Asia Pacific 2014 India Customer Service Index (CSI) Study<sup>SM</sup>*

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# J.D. Power Asia Pacific 2014 India Customer Service Index (CSI) Study<sup>SM</sup>

## Factors Comprising Overall Satisfaction



Source: J.D. Power Asia Pacific 2014 India Customer Service Index (CSI) Study<sup>SM</sup>

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