tkp | MARKET RESEARCH CONSULTANTS

Consumer Insights

Research Report

THE KLEIN PARTNERSHIP

Date May 2018
TKP Ref 5050

Background

- The Australian Automotive Aftermarket Association (AAAA) has developed and is executing an on-going market research program to provide information and insights to help members develop and grow their business (and by association, the industry).

- This on-going program will:
  - Add value to AAAA membership
  - Provide AAAA with PR and 'influence' opportunities

- The priority opportunity for 2018 was a deep and comprehensive read on the end-consumer's attitudes and behaviours with regards to servicing and enhancing their vehicle.

Objectives

- The overarching objectives of this research were to provide AAAA with information and insights about the Australian consumer's attitudes and behaviours with regards to servicing and accessorising their vehicle.

- In 2018, the study provides an understanding of;

  - The market for vehicle servicing
  - The profile of the independent workshop and the dealership customer
  - The consumer's workshop selection process
  - Decision making on choice of workshop
  - Strengths and weakness of alternative workshop types
  - Drivers and degree of satisfaction with their last service

Summary of Methodology

Who?	Car owners* who have: • Had their personal vehicle serviced in the last 12 months, OR • Purchased an aftermarket accessory in the last 12 months.
How Many?	Total = 1,499 Had car serviced= 1,390. Purchased accessory= 1,086.
What?	20-minute online survey
Where?	National
When?	7th to 18th February, 2018

*Responsible for the decisions regarding the maintenance and servicing of their car

Interpretation

- Tests for statistical significance at a 95% confidence level have been conducted on particular subgroups of interest in this survey.
  - If no statistical significance has been highlighted, there are none associated with these subgroups.
  - If there is a statistically significant difference, we can be confident that this difference has not occurred by chance i.e. it reflects a genuine difference for that group compared to the population.

- In the tables and graphs;

Indicates a result that is significantly higher

Indicates a result that is significantly lower

Indicate a result that is not significant at 95% but is notable or of interest

Statistical Margin of Error	*n=100*	*+/- 11.3pts*
	n=200	*+/- 7.2pts*
	n=400	*+/- 3.7pts*
	n=600	*+/- 4.1pts*
	n=1,000	*+/- 3.0pts*

Incidence of Car Services and Accessory Purchases in Australia

Respondents who clicked on the survey link and answered the screening questions were representative of the Australian population in terms of age, gender and location.

*Screen out data was then captured to quantify the incidence of servicing and accessory purchases amongst **all** car owners (not just for the market of interest).*

Incidence of Car Services and Accessory Purchases

A Snapshot of Australian Car Owners

In the last 12 months…

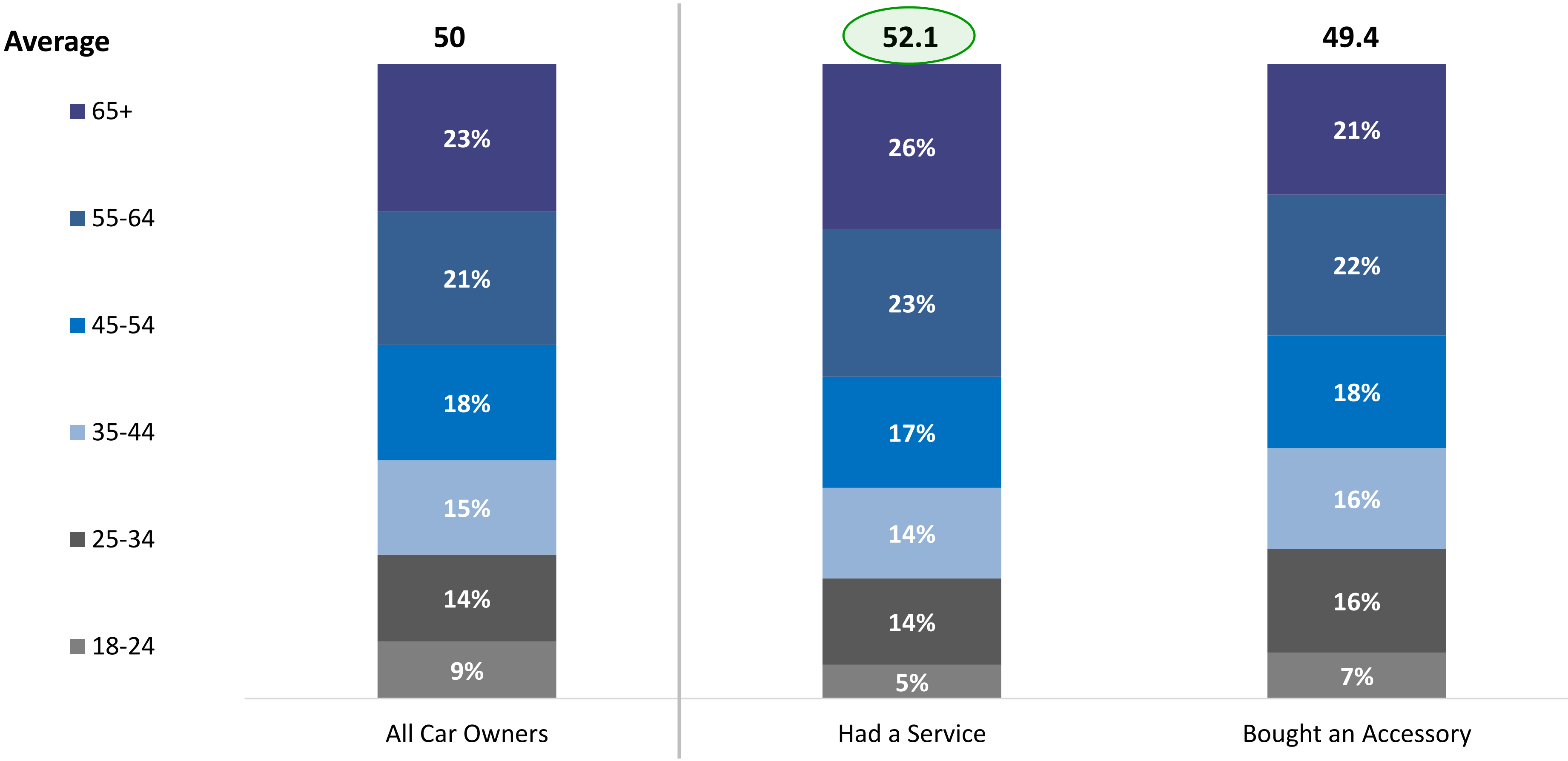
- 67% of Australian Car Owners had their car serviced
- 52% purchased an accessory (i.e. a mechanical or electrical part, an accessory or a car care product)
- 47% had their car serviced AND purchased an accessory
- 28% had neither purchased an accessory nor had their car serviced
- 5% had bought an accessory, but had not serviced their car.
- 20% had serviced their car, but had not bought an accessory.

*Base: **Car Owners** n=2,473; S4 - When did you last undertake each of the following relating to your car…*

Incidence of Car Services and Accessory Purchases

Age

People who had serviced their car in the past 12 months tended to be older, with an average age of 52 years compared to 50 years for the typical car owner.



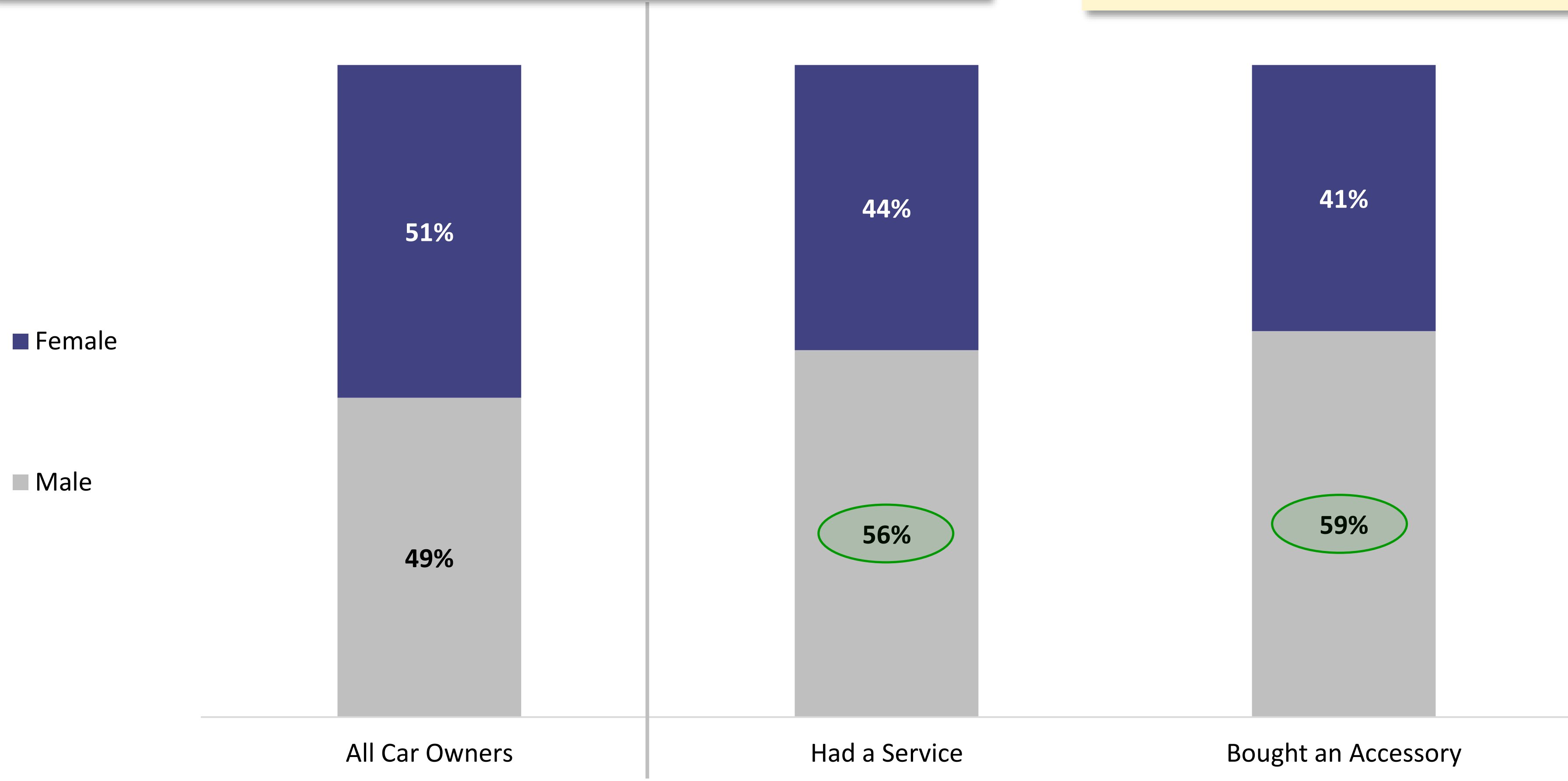
Base: ***Bought Accessory in Last 12 Months*** *n=1,086,* ***Had a Service in Last 12 Months*** *n=1,390,* ***All Car Owners*** *n=2,079: Q64. Age?*

Incidence of Car Services and Accessory Purchases

Gender

People who purchased an accessory or had their car serviced in the last 12 months were more likely to be Male, but incidence of both activities amongst Females was still significant.

Of all females 35% had bought an accessory (vs. 55% of males) and 49% had serviced their car (vs. 67% of males); females were responsible for 44% of car services.



Base: ***Bought Accessory in Last 12 Months*** *n=1,086,* ***Had a Service in Last 12 Months*** *n=1,390,* ***All Car Owners*** *n=2,079: Q65 - Your gender?*

Incidence of Car Services and Accessory Purchases

Type of Car Owned

Column %	All Car Owners	Had a Service	Bought an Accessory
Sedan	41%	42%	42%
Wagon	7%	7%	7%
Hatch	28%	29%	27%
Coupe	3%	3%	3%
Convertible	2%	2%	2%
Ute / Van	8%	7%	8%
4WD / SUV	30%	29%	31%
Other	2%	1%	1%

People who have serviced their car in last 12 months or had purchased a automotive accessory did not own different types of vehicle.

*Base: **Accessory Buyer n=1,086**, **Service in P12M n=1,390**, **Total** n=2,080; S2. Which of the following types of car do you currently own?*

The Servicing, Repairs and Automotive Accessory Market

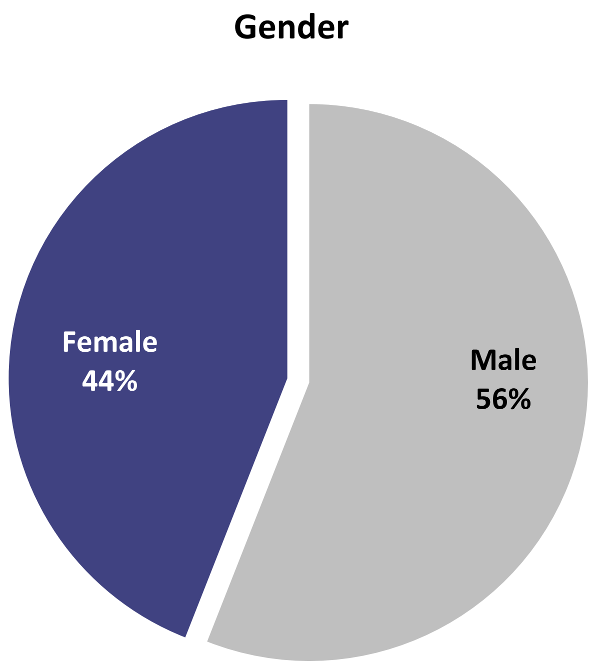
To qualify for the main survey, respondents must have owned a car (and been responsible for the decisions regarding the maintenance and servicing of it), and must have:

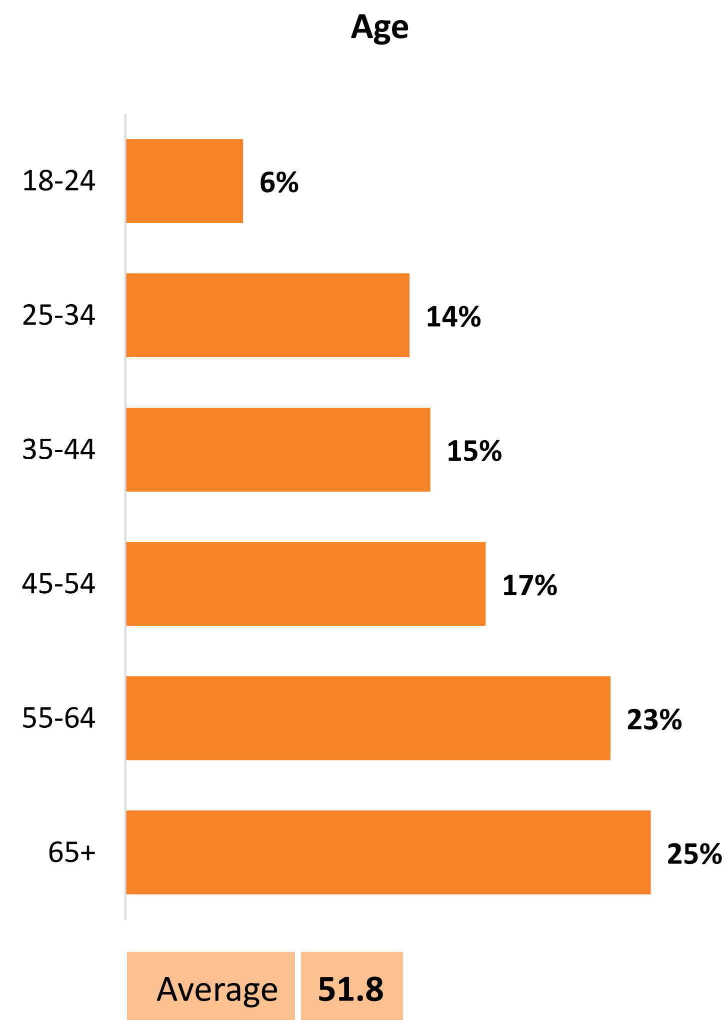
- *Had their personal vehicle serviced in the last 12 months, OR*
- *Purchased an aftermarket accessory in the last 12 months.*

These respondents are defined as the servicing, repairs and automotive accessory market.

Sample Characteristics

Age & Gender

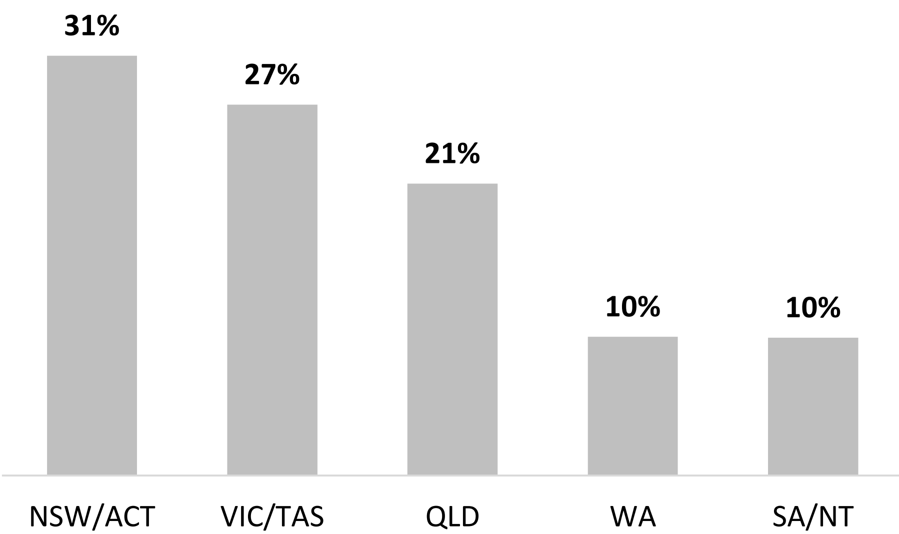




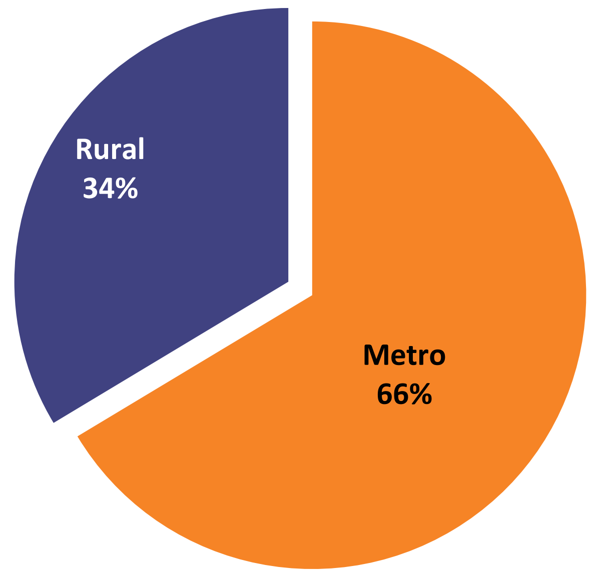
*Base: **Total** n=1,499: Q64 – Age; Q65 - Your gender?*

Sample Characteristics
Location

State



Region

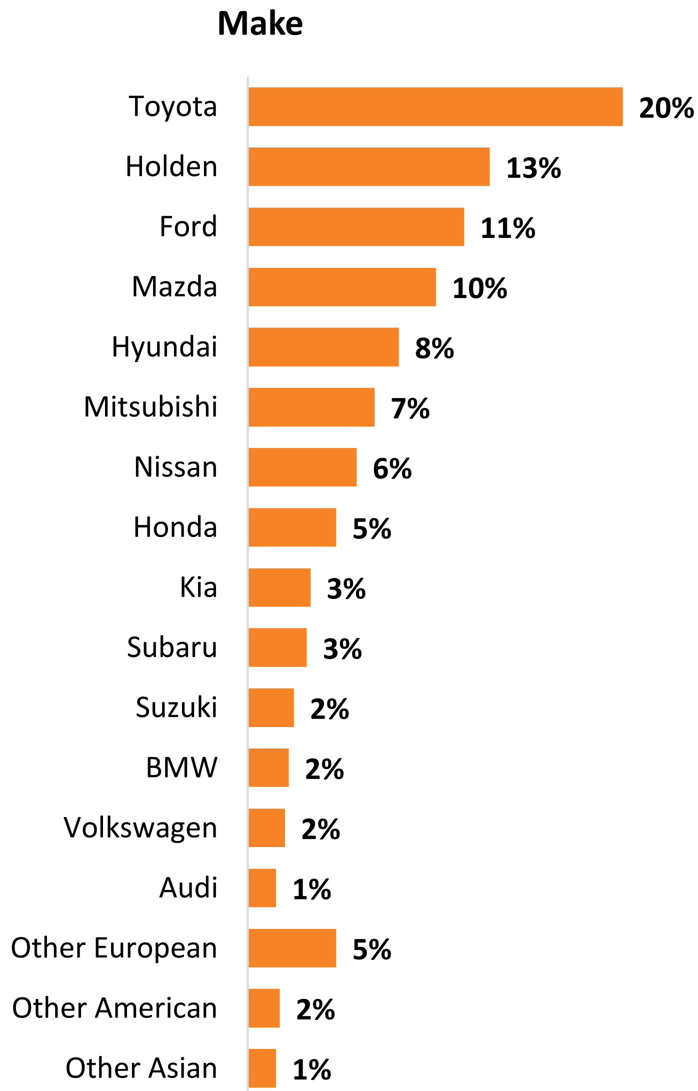


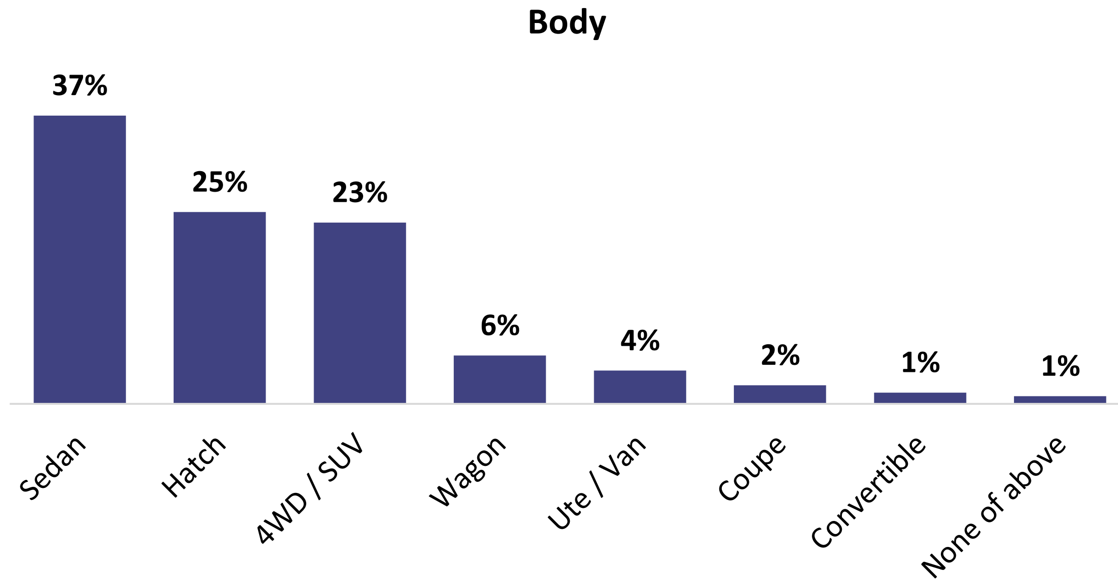
The market is generally consistent with population statistics in terms of location (albeit slightly more rural).

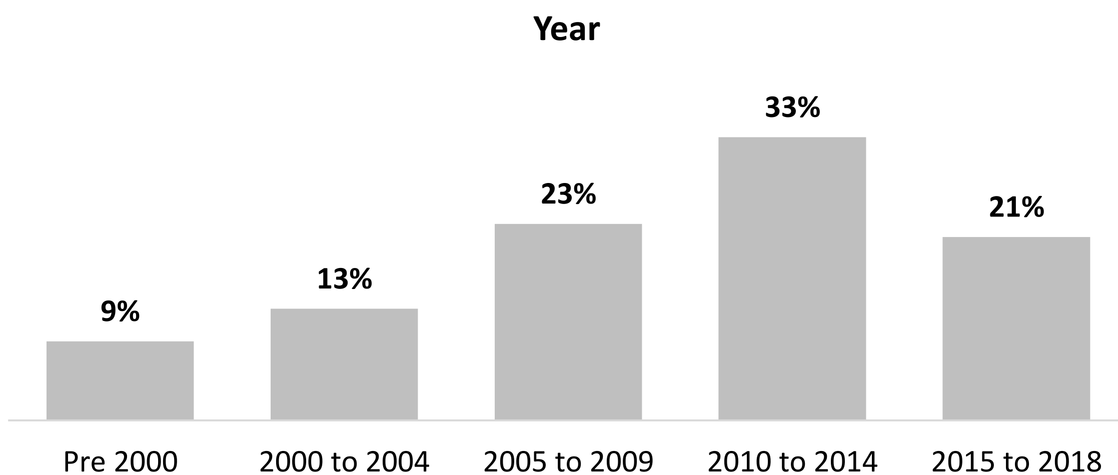
*Base: **Total** n=1,499: Q66 - Your residential postcode?*

Profile of Their Car

Profile of Their Car



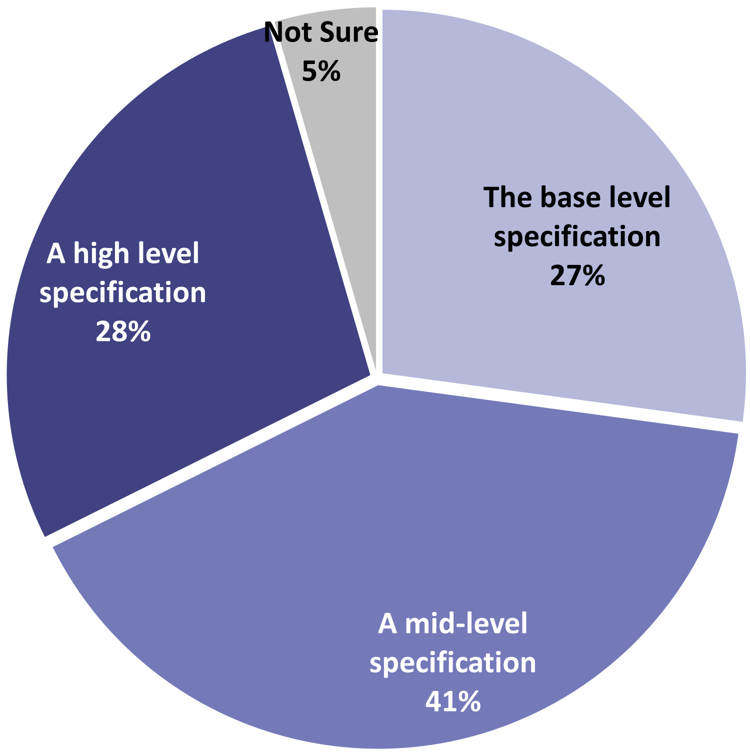




*Base: **Total** n=1,499: Q2.What is the make of the car? (OPEN); Q1. Body?; Q3. Roughly, what year is the car?*

Profile of Their Car

Specification



*Base: **Total** n=1,499: Q7. What level of specification is the car?*

Profile of Their Car

Where Bought

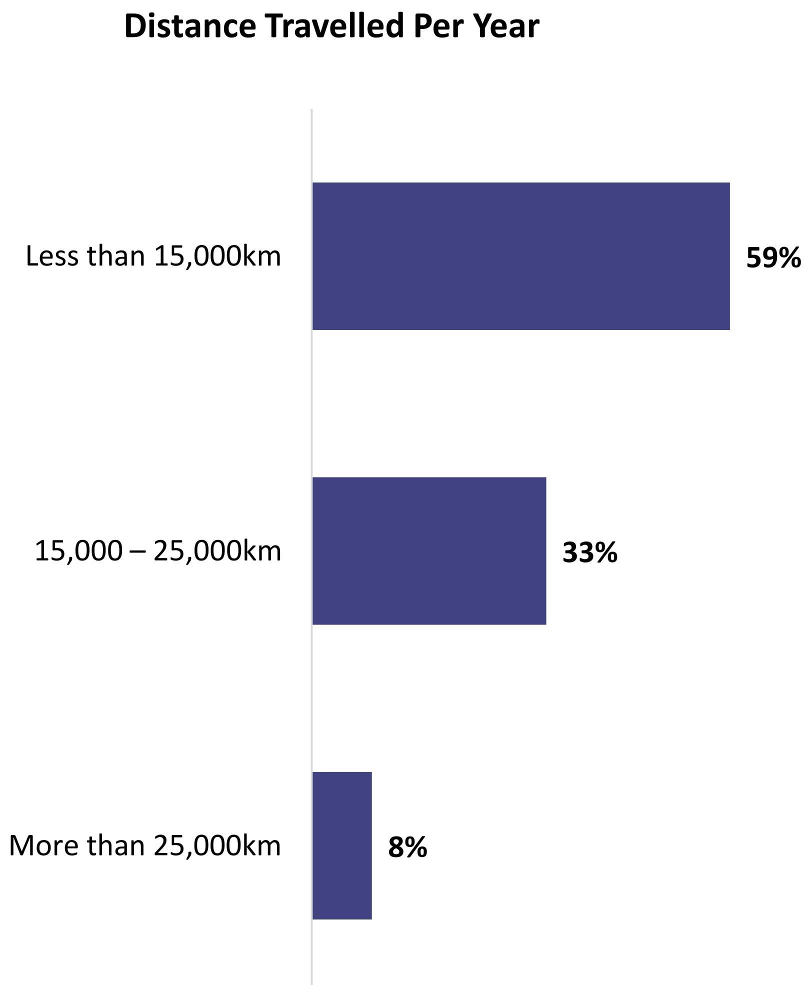
		When You Got It, Was It…		
	Total %	**New**	**Used**	Total
Where Was it Bought?	**Dealer**	53%	24%	76%
	Non-Dealer	0%	23%	24%
	Total	53%	47%	100%

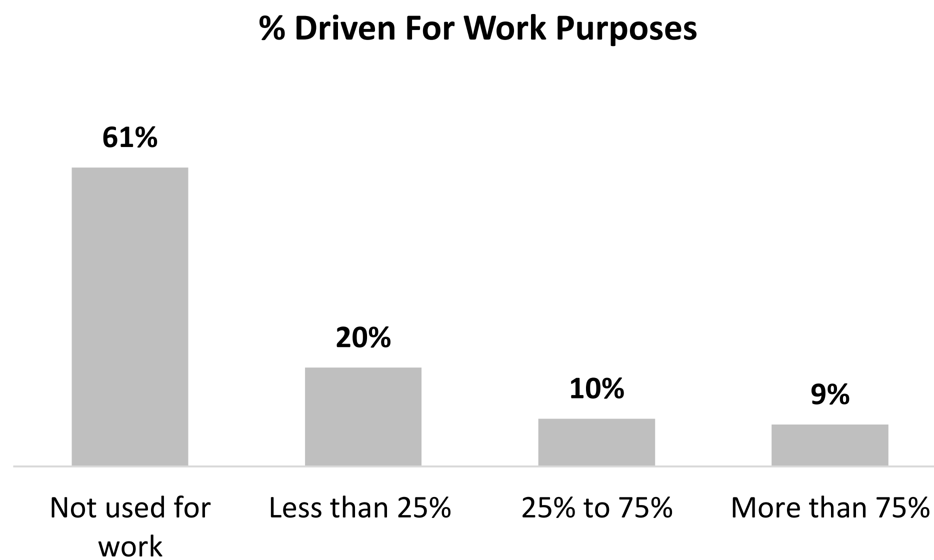
Overall, car sales appear to be dominated by the Dealer network.

47% of respondents' vehicles were bought second-hand, with a even mix bought via a Dealer or not.

*Base: **Total** n=1,499: Q6. Where was it bought?; Q4. When you got it was it…*

Profile of Their Car





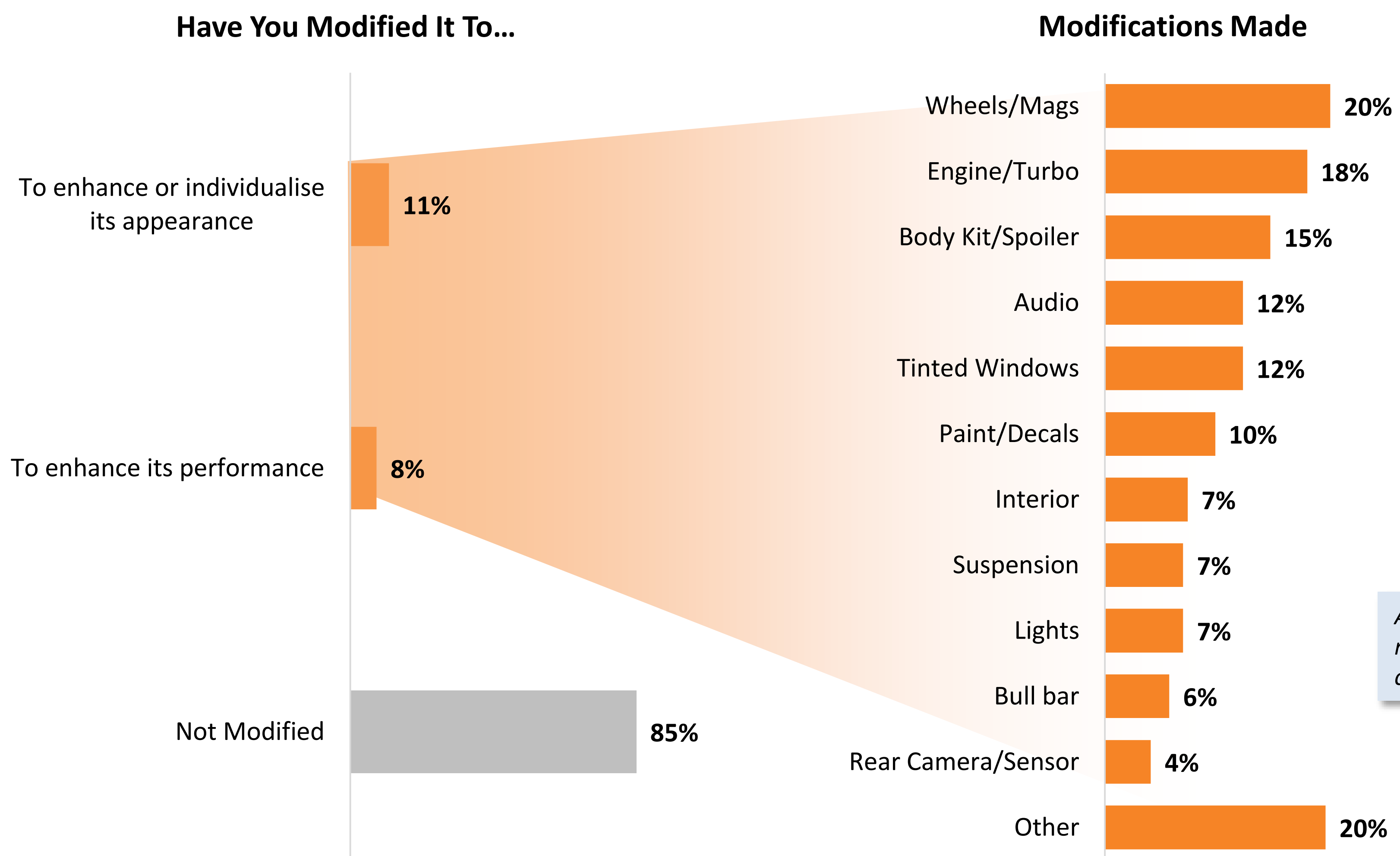
*Base: **Total** n=1,499: Q8. Roughly how many kilometres does it travel per year?; Q10. Roughly what % of the car's driving is for work purposes (excluding your commute)?*

Profile of Their Car

Modifications Made

Only 15% of vehicles had been modified in some way after purchase.

Of those modified, ¾ were to enhance appearance, whilst ½ were to improve performance.



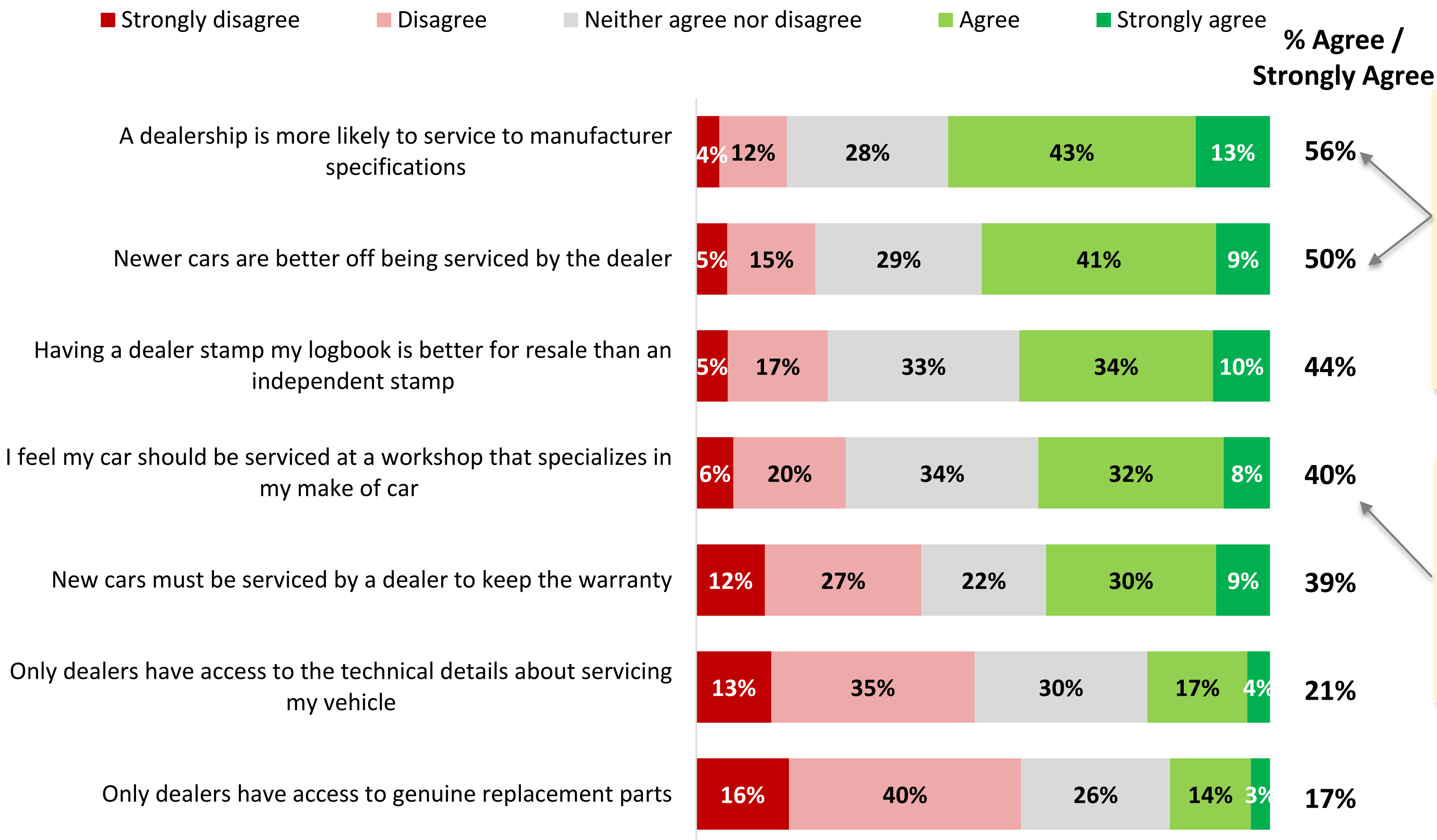
A broad range of modifications were completed.

*Base: **Total** n=1,499; Q7a. After buying the car, have you modified it …; Q7b.How have you modified your car? (OPEN)*

Attitudes

Attitudes

Towards Dealerships



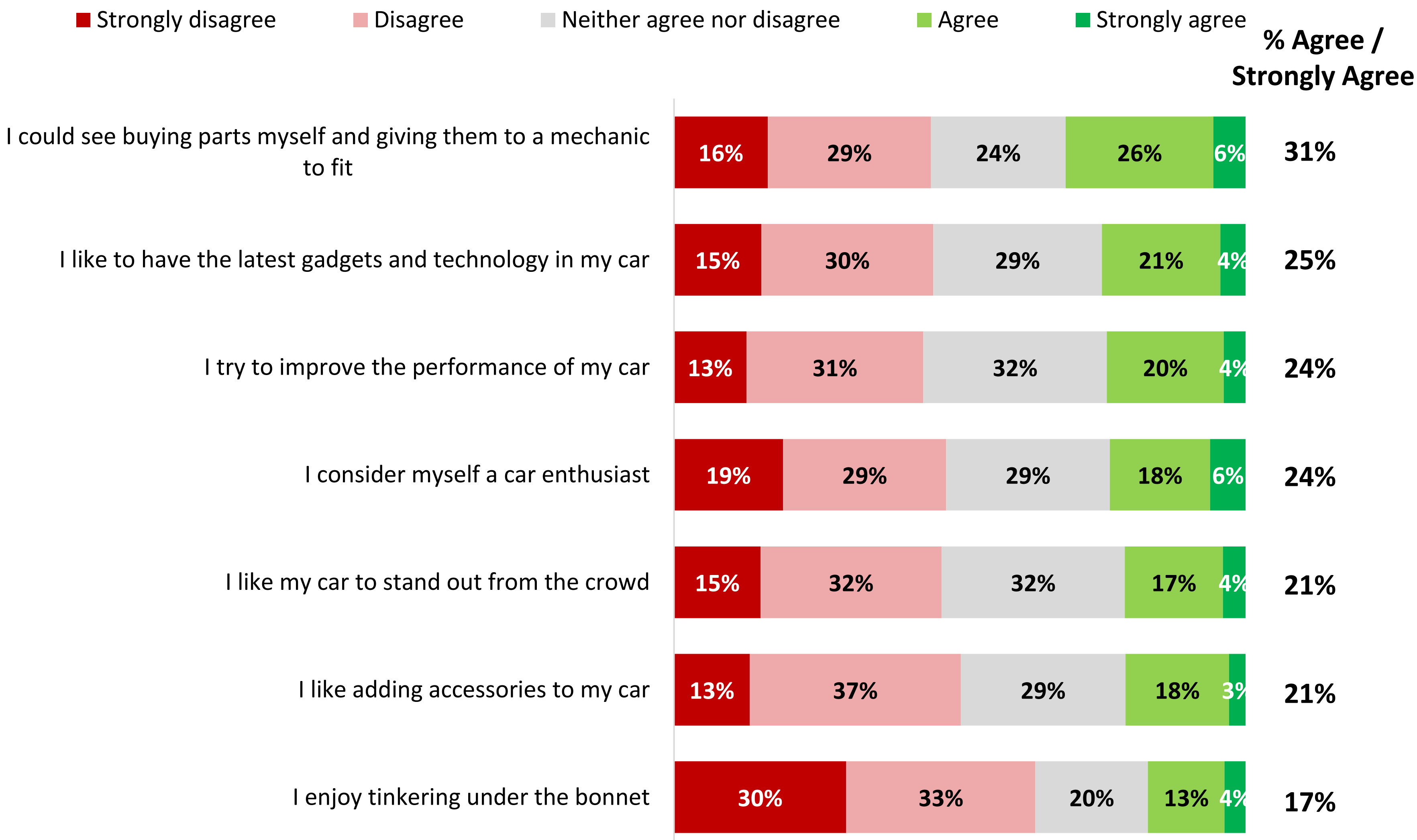
A slight majority believed that a dealer is more likely to service to manufacturers specs or that newer cars are better of being serviced by the dealer.

Interestingly, 4 in 10 people (40%) feel that their car should be serviced at a workshop that specializes in their make of car.

*Base: **Total** n=1,499: Q16. Please tell us the extent to which you agree or disagree with each of the following statements.*

Attitudes

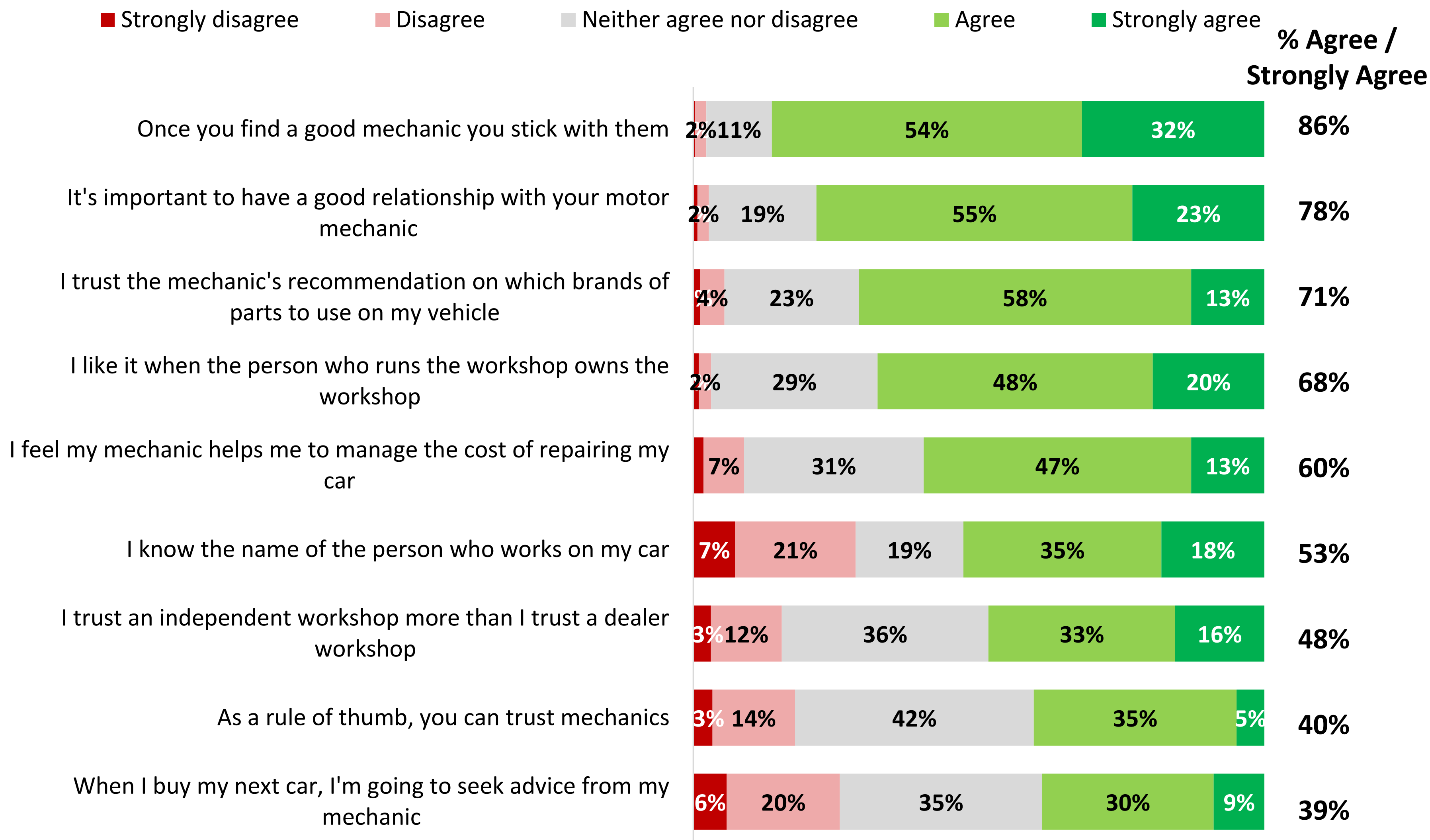
Towards Modifying Their Car



*Base: **Total** n=1,499: Q16. Please tell us the extent to which you agree or disagree with each of the following statements.*

Attitudes
Towards Mechanics

There was considerable favourability towards mechanics overall.

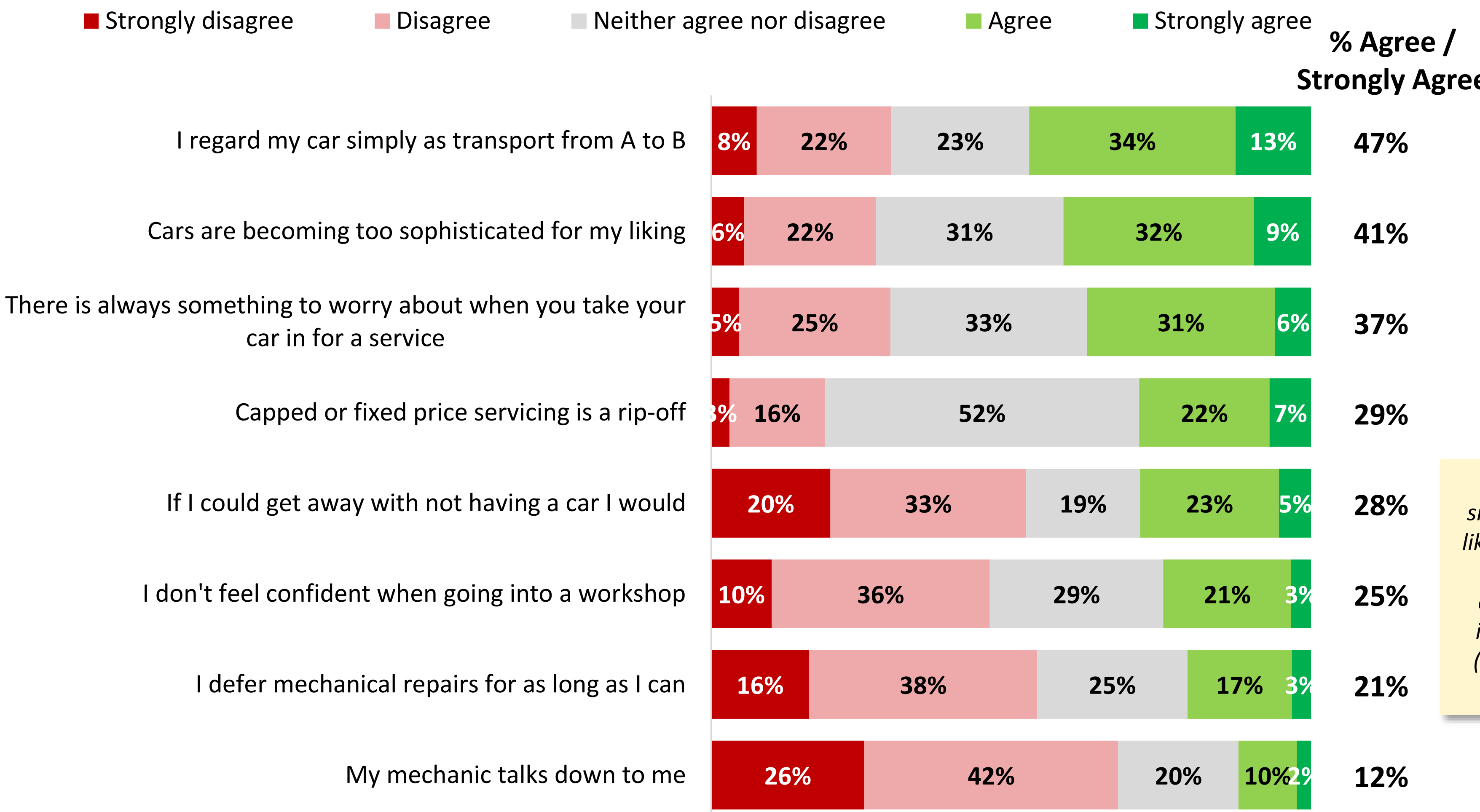


*Base: **Total** n=1,499; Q16. Please tell us the extent to which you agree or disagree with each of the following statements.*

Attitudes

Towards Engagement in Cars and Servicing

26% of respondents held particularly negative attitudes towards their car and servicing, which flowed across all attributes in this grouping.



Females were significantly more likely to agree that the don't feel confident going into a workshop (29% vs. 21% for males)

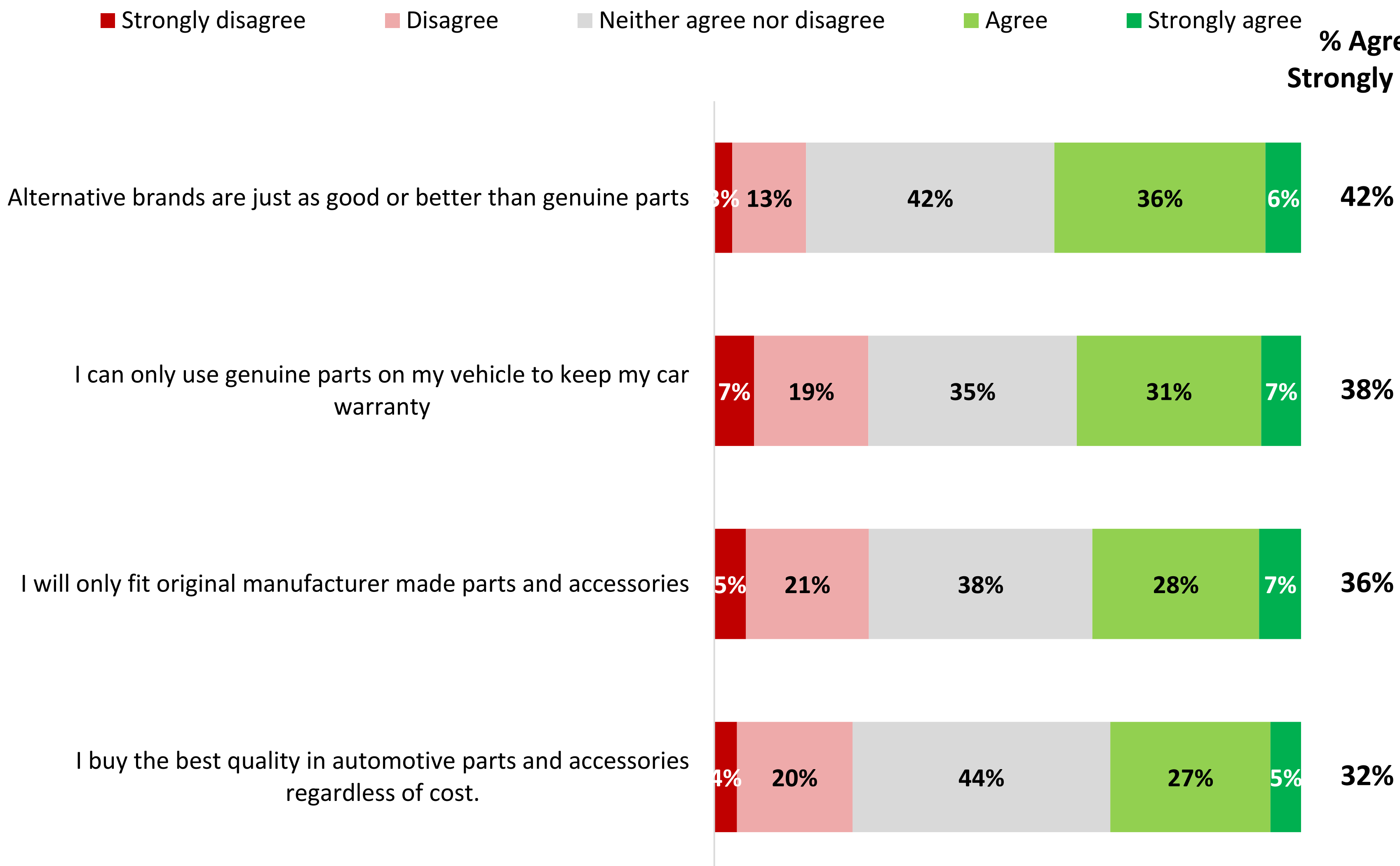
The 54% who disagreed that they defer repairs, and the 69% who disagreed that their mechanic talks down to them, are encouraging results.

*Base: **Total** n=1,499: Q16. Please tell us the extent to which you agree or disagree with each of the following statements.*

Attitudes

Towards Parts

The opportunity of suppliers appears significant; 42% agreed that alternative parts are as good or better than genuine parts and only 26% disagree that you have to use genuine parts to maintain your warranty.



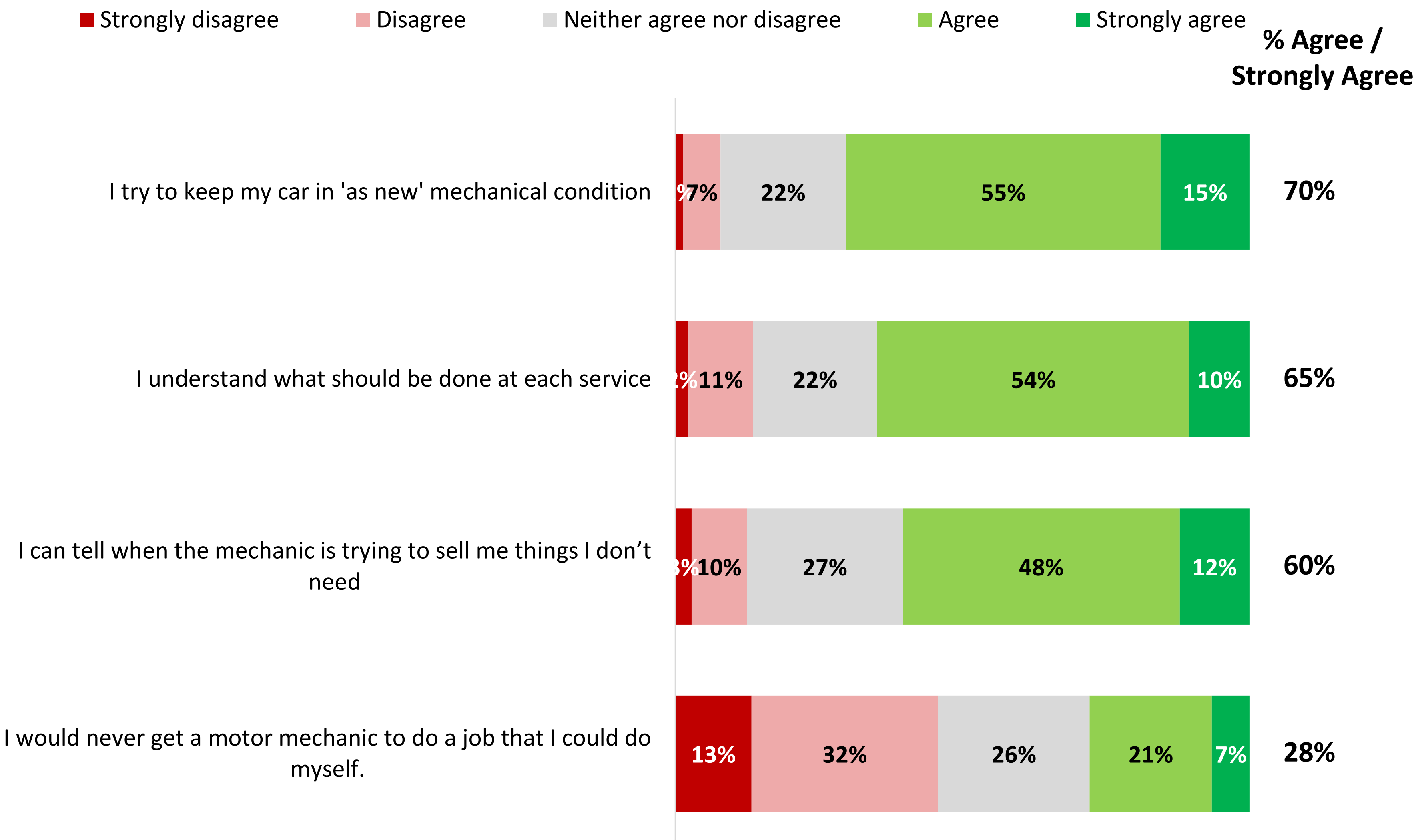
11% believed alternative brands are comparable to genuine parts, yet will only fit original/genuine parts to their car.

*Base: **Total** n=1,499; Q16. Please tell us the extent to which you agree or disagree with each of the following statements.*

Attitudes

Towards Knowledge when Servicing

The majority of respondents believe they understand what a service entails, and are able to recognise an unnecessary repair.

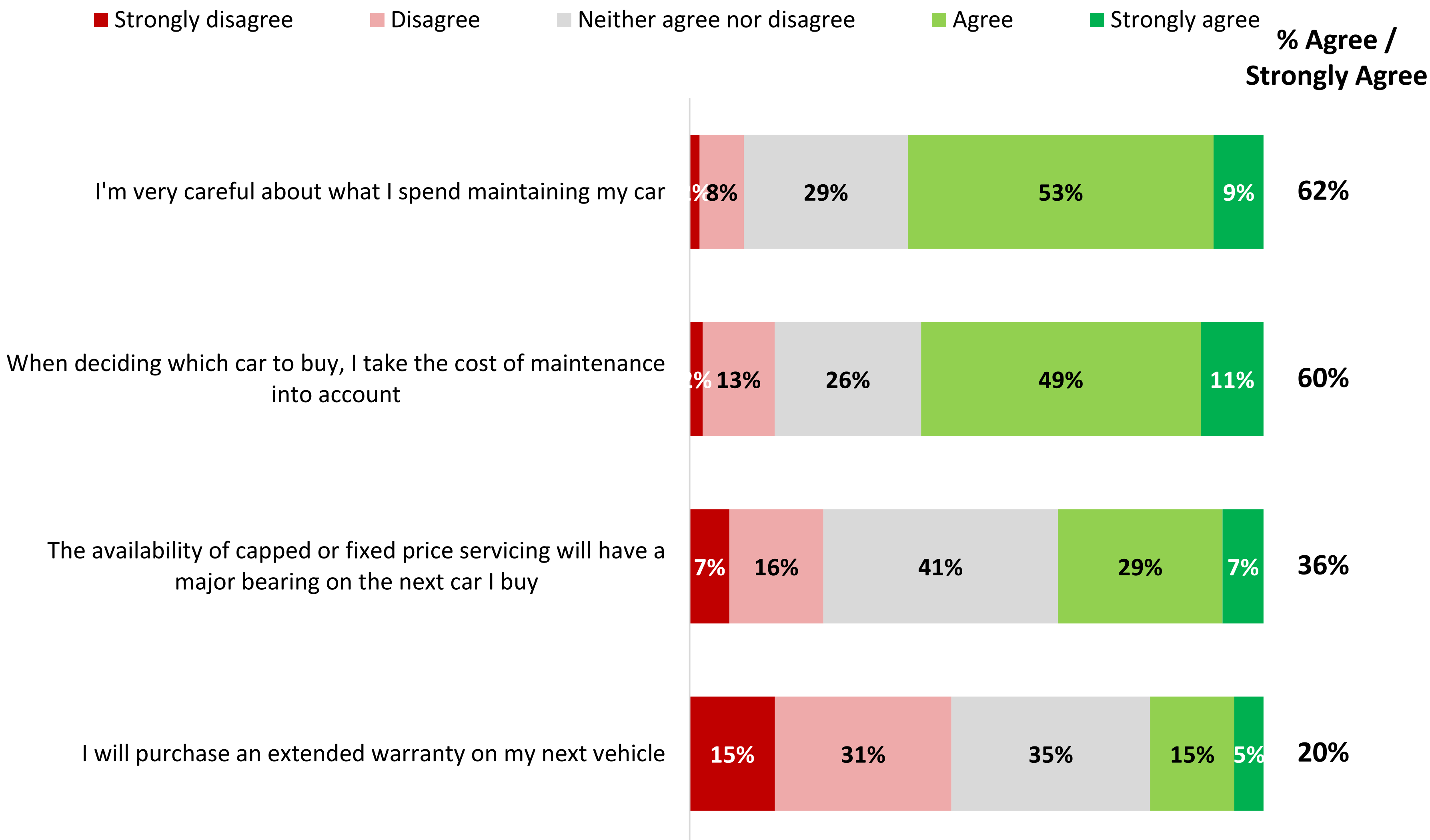


*Base: **Total** n=1,499; Q16. Please tell us the extent to which you agree or disagree with each of the following statements.*

Attitudes

Towards the Cost of Maintenance

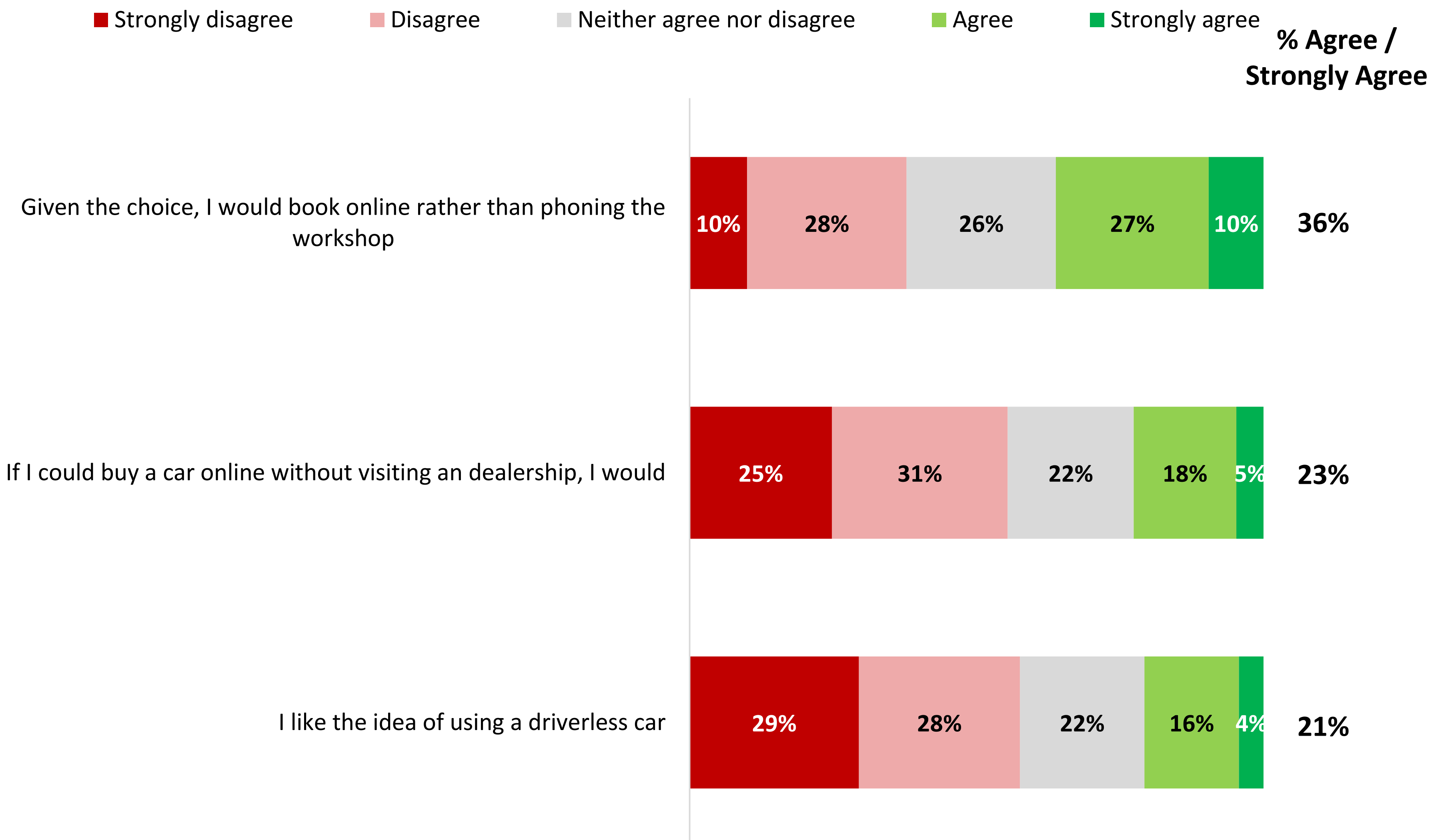
Most respondents claimed to be concerned about the cost associated with maintaining their vehicle.



*Base: **Total** n=1,499; Q16. Please tell us the extent to which you agree or disagree with each of the following statements.*

Attitudes

Towards Online Shopping and Innovation

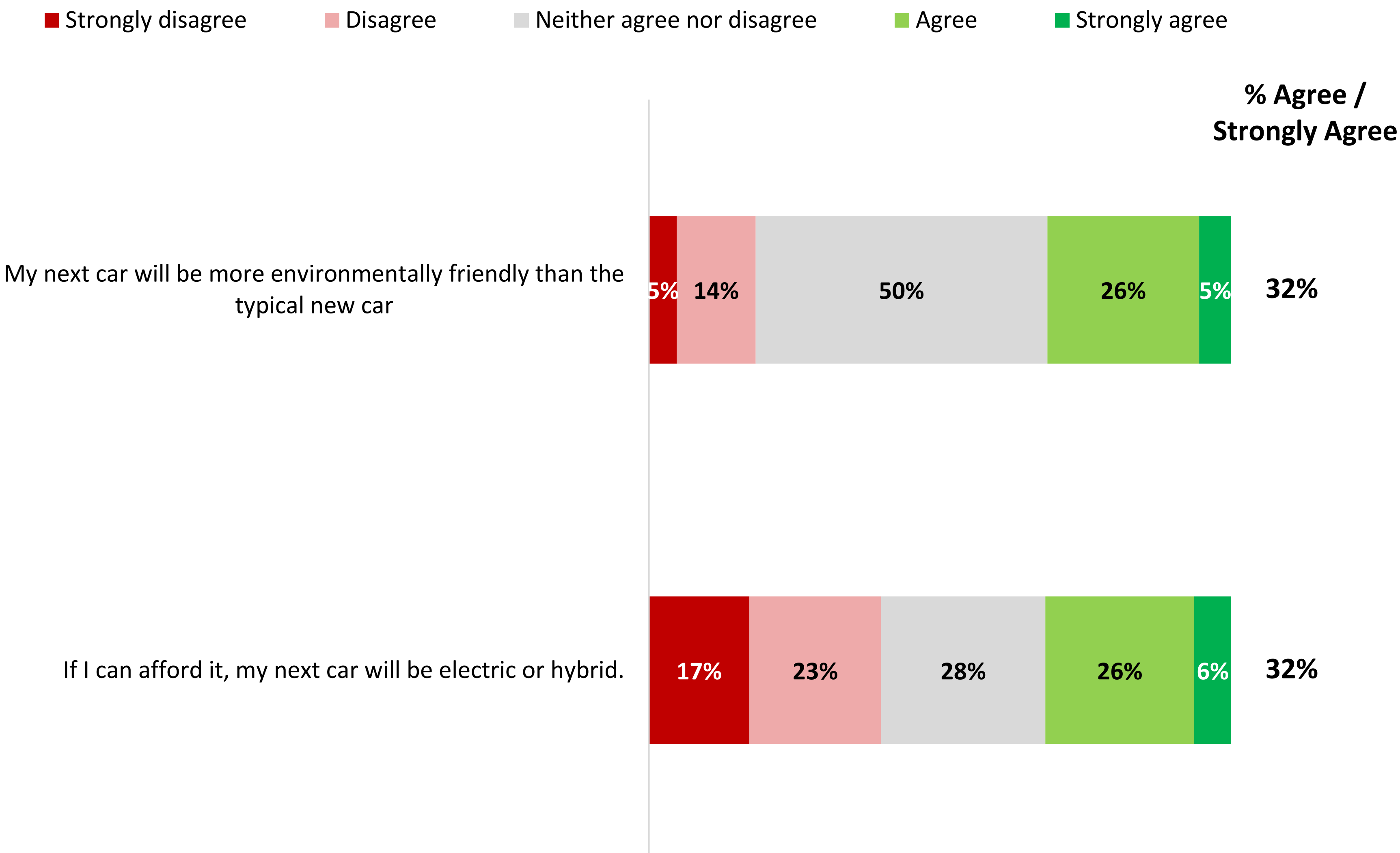


*Base: **Total** n=1,499; Q16. Please tell us the extent to which you agree or disagree with each of the following statements.*

Attitudes

Towards Cars of The Future

Interest in electric/hybrid cars is significant, with 1 in 3 expressing an interest if the car was affordable.



*Base: **Total** n=1,499; Q16. Please tell us the extent to which you agree or disagree with each of the following statements.*

Warranties & Service Agreements

Service Agreements include Capped/Fixed Price servicing, Free Servicing or Pre-paid servicing.

Service Agreements and Warranties

3 in 5 cars were not under warranty or under a service agreement.

All Cars

Total %		Have a Service Agreement? No	Have a Service Agreement? Yes	Total
Under Warranty?	No	58%	5%	63%
	Yes	17%	20%	37%
	Total	75%	25%	100%

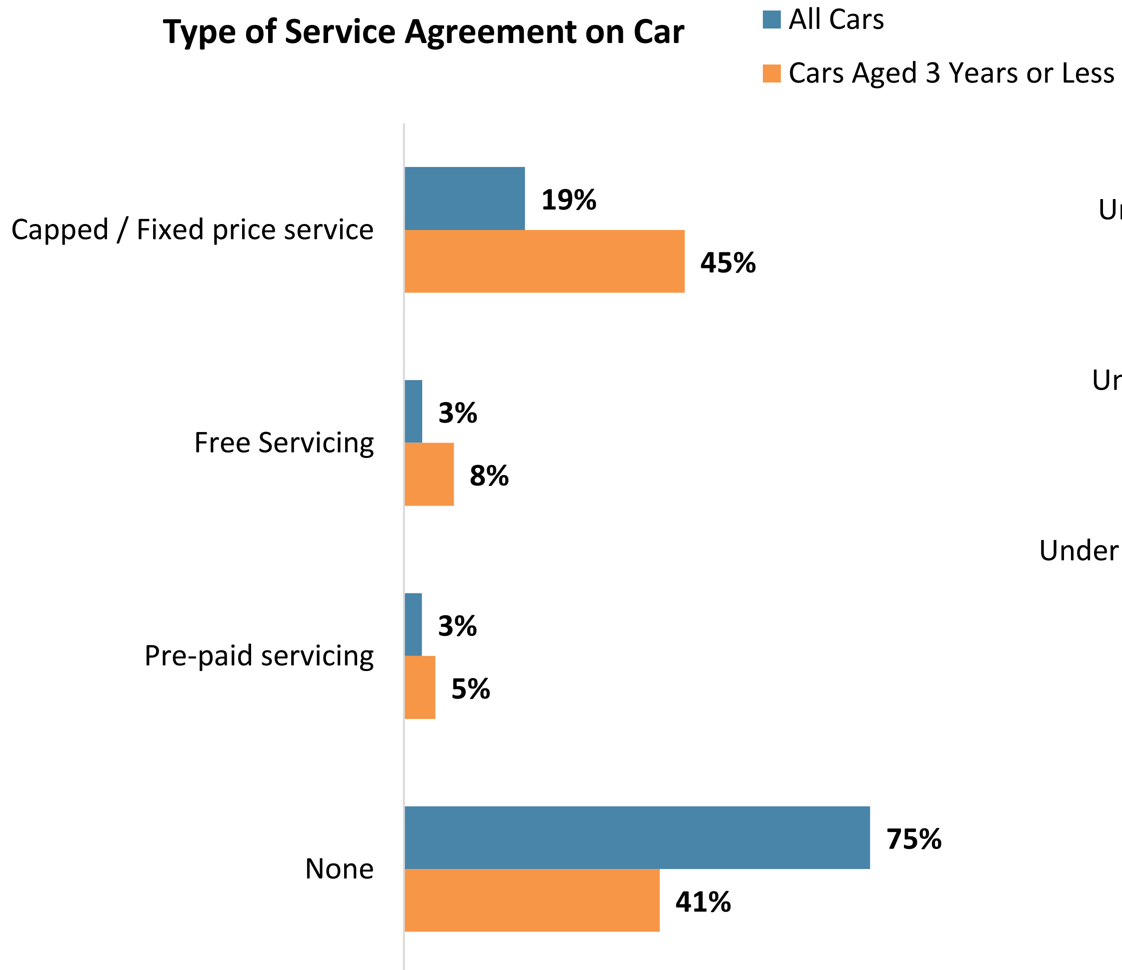
Cars Aged 3 Years or Less

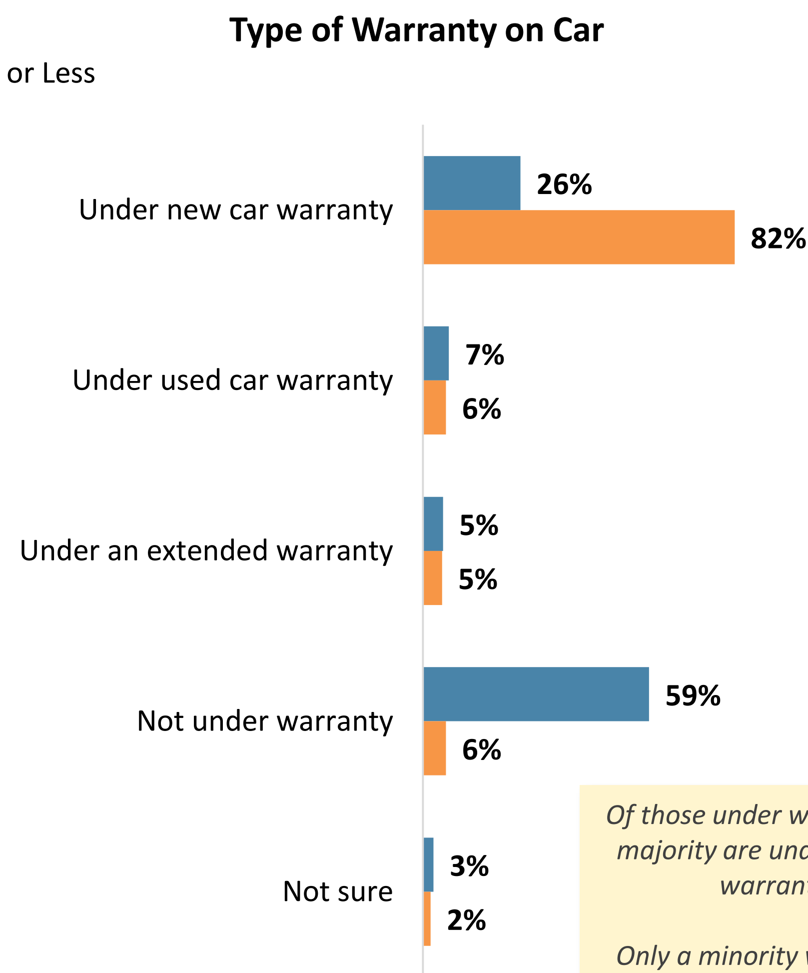
Total %		Have a Service Agreement? No	Have a Service Agreement? Yes	Total
Under Warranty?	No	6%	1%	8%
	Yes	35%	57%	92%
	Total	41%	59%	100%

Over 9 in 10 (92%) cars less than 3 years old were under warranty, while almost 6 in 10 (59%) had a service agreement. 57% had both.

*Base: **Total (All Cars)** n=1,499, **Cars Aged 3 Years or Less** n=341; Q9 - Is it…; Q11 - Do you have any of the following service agreements for your car?*

Service Agreements and Warranties





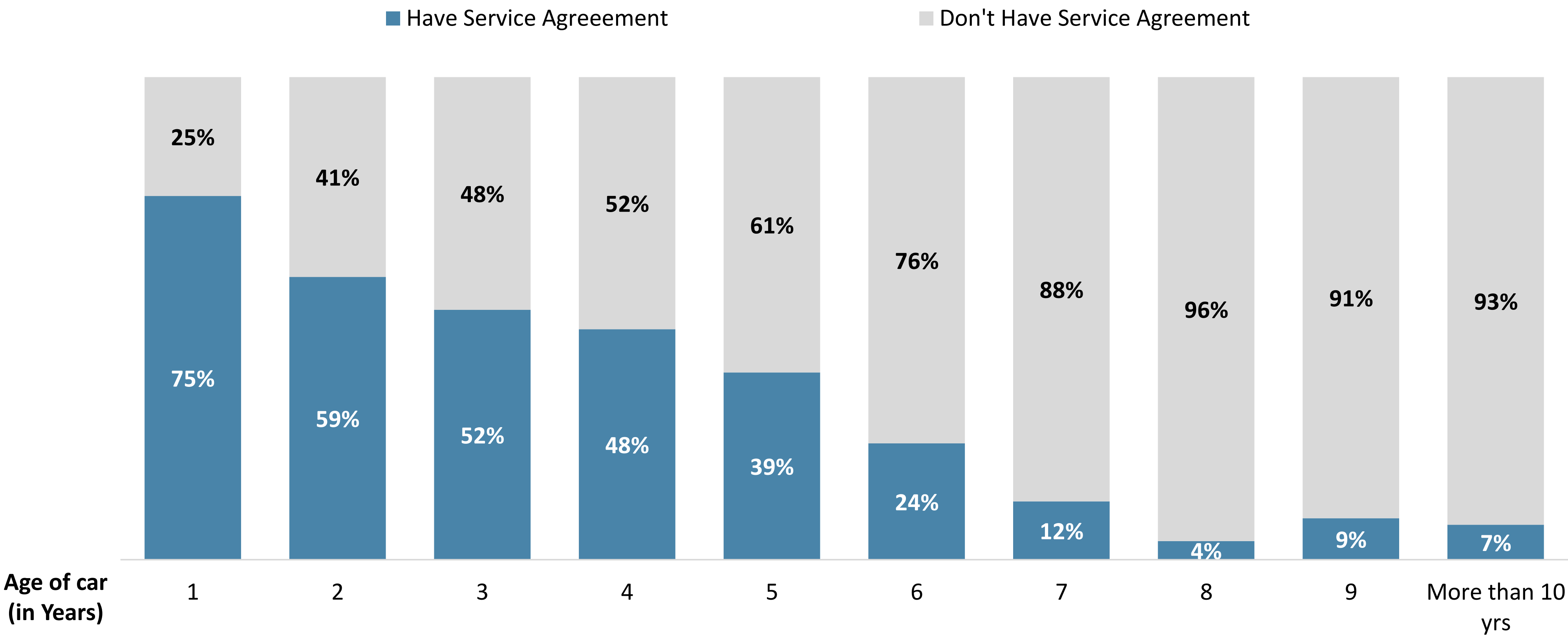
Of those under warranty, the majority are under new car warranty.

Only a minority were under an Extended Warranty (5% of all vehicles)

*Base: **Total (All Cars)** n=1,499, **Cars Aged 3 Years or Less** n=341; Q9. Is it…; Q11. Do you have any of the following service agreements for your car?*

Service Agreements and Warranties

Have Service Agreement by Age of Car



People who had their cars for 7 years or less were more likely to have a service agreement.

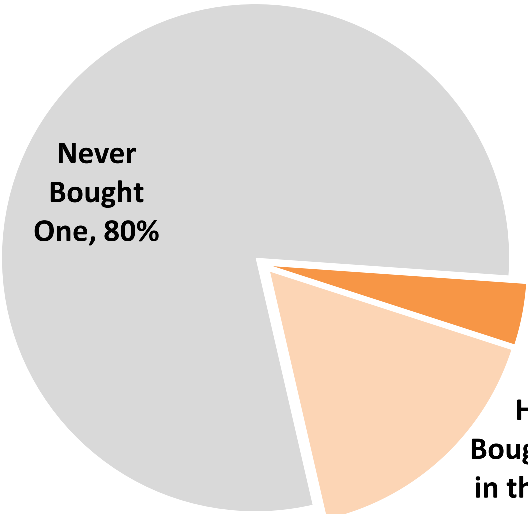
Service Agreement includes Capped/Fixed Price servicing, Free Servicing or Pre-paid servicing

*Base: **Total** n=1,499; Q3. Age of car; Q11. Do you have any of the following service agreements for your car?*

Warranties & Service Agreements

Extended Warranties

Have You Ever Purchased an Extended Warranty?



Most respondents had never experienced an automotive extended warranty, and the concept of it held little appeal.

However, those who have had one in the past (or currently have one) tended to be likely to buy one in the future.

Likeliness to Purchase an Extended Warranty in Future

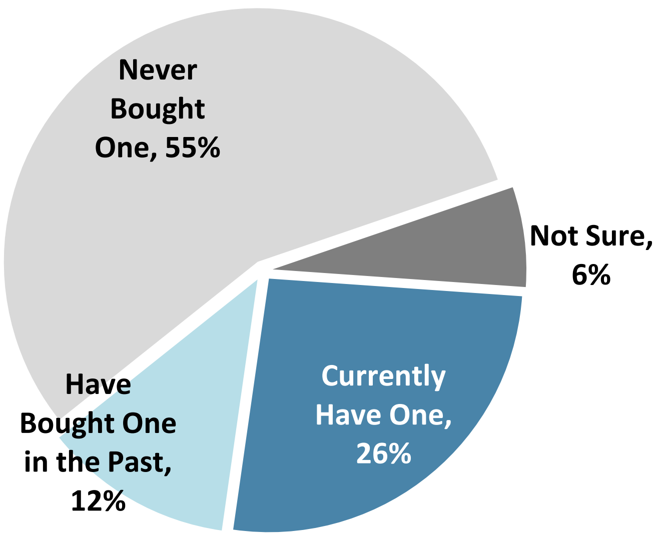
		"I will purchase an extended warranty on my next vehicle"		
	Row %	**Disagree**	**Neutral**	**Agree**
Ever Purchased an Extended Warranty?	**Currently Have One**	9%	29%	62%
	Have Bought One in the Past	24%	33%	43%
	Never Bought One	52%	35%	13%
	Total	46%	35%	20%

*Base: **Total** n=1,499: Q9 - Is it…; Q12. Have you ever purchased an extended warranty for a car?; Q16. Please tell us the extent to which you agree or disagree with each of the following statements – 'I will purchase an extended warranty on my next vehicle"*

Warranties & Service Agreements

Service Agreements

Have You Ever Purchased a Service Agreement*?



*Either Capped, Fixed or Pre-Paid

The opportunity appears to be winning over the 52% who have not formed an opinion on Capped Price Servicing

Perceptions of the value of Service Agreements amongst those who have had or currently have a service agreement were mixed.

Attitudes Towards The Value of Service Agreements

		"Capped or Fixed Price Servicing is a Rip Off"		
	Row %	**Disagree**	**Neutral**	**Agree**
Ever Purchased a Service Agreement?	**Currently Have One**	34%	43%	23%
	Have Bought One in the Past	26%	44%	30%
	Never Bought One	12%	57%	31%
	Total	19%	52%	29%

*Base: **Total** n=1,499: Q11. Do you have any of the following service agreements for your car?; Q13. Have you ever purchased or been provided with a service agreement such as Capped/Fixed/Pre-paid servicing? Q16. Please tell us the extent to which you agree or disagree with each of the following statements – 'Capped of Fixed Price servicing is a rip off'*

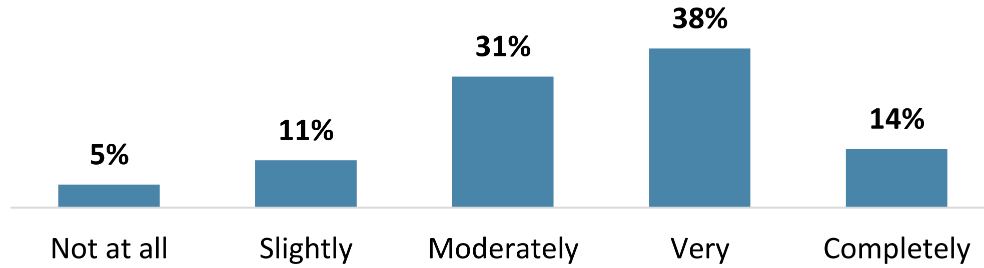
Warranties & Service Agreements

Familiarity and Satisfaction With Service Agreements

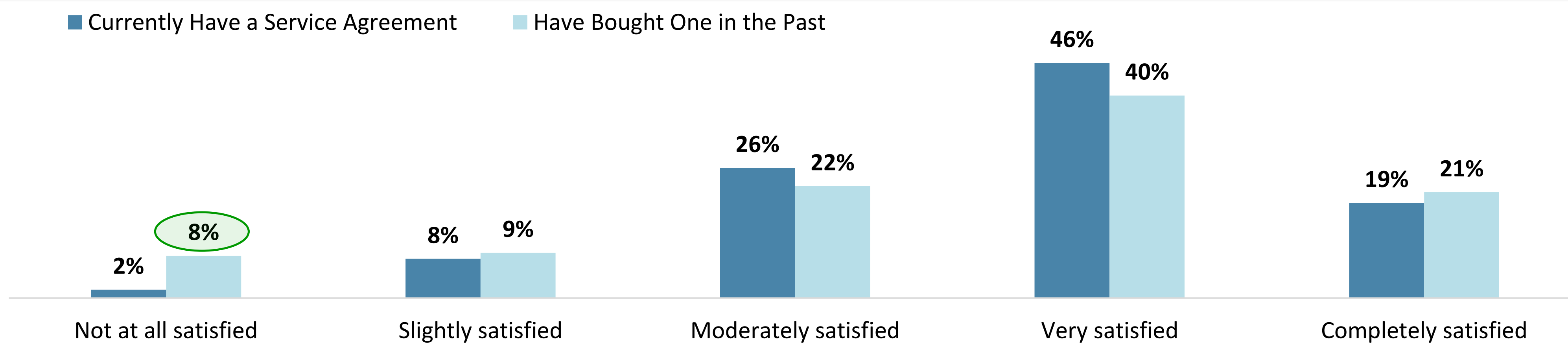
People with a current service agreement claimed to be quite familiar with what their agreement covers, and tended to be generally satisfied with their agreement.

Currently Have a Service Agreement **26%**

How familiar are you with what is and is not covered?



Satisfaction with Service Agreement



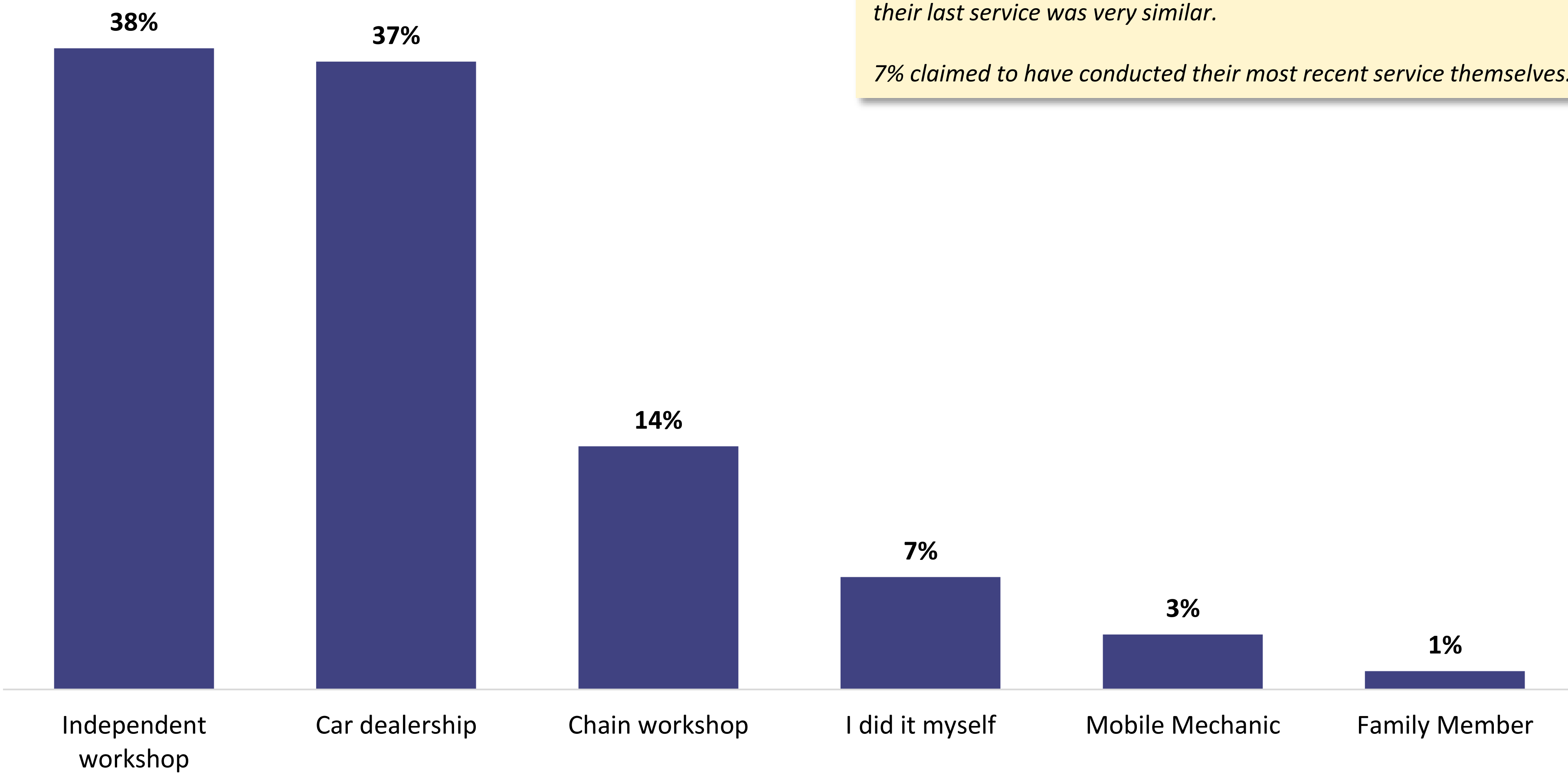
*Base: **Currently Have Service Agreement** n=329; Q14. How familiar are you with what is and isn't covered in your service agreement?; **Have Had Service Agreement in the Past** n=174; Q15. How satisfied are you with your capped or fixed price service agreement?*

Last Service

Respondents who had their car serviced in the last 12 months were asked a set of questions about their most recent service.

Last Service

Service Provider Used



The incidence of using a Dealership and a Independent workshop for their last service was very similar.

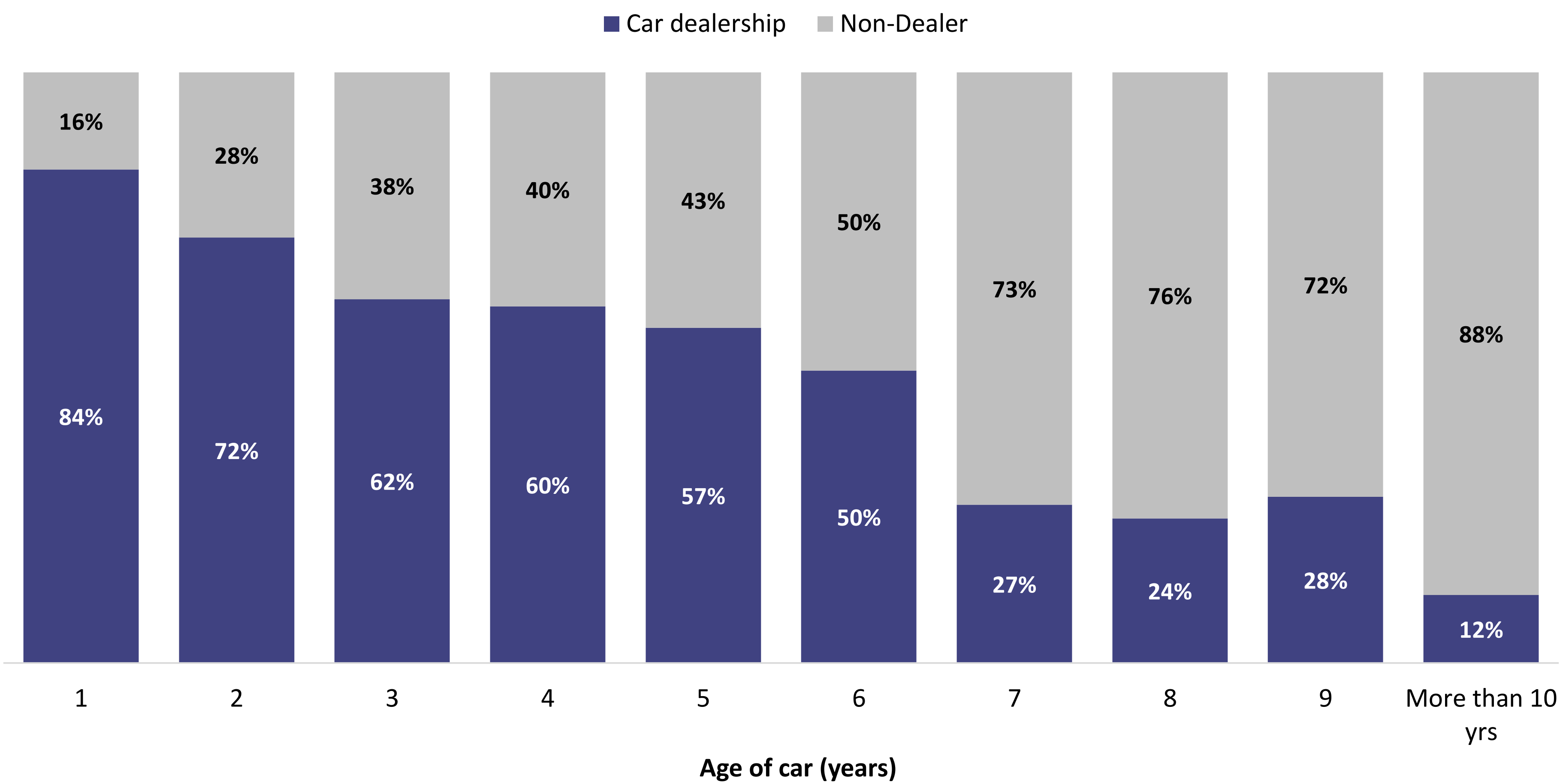
7% claimed to have conducted their most recent service themselves.

*Base: **Had Service in L12M** n=1,390; S5. At what type of workshop did you last get your car serviced?*

Last Service

Service Provider Used by Age of Car

People with cars aged 5 years or less were more likely to get their car serviced at a dealership.



Base: ***Had Service in L12M*** *n=1,390; Q3 – Age of car; S5 - At what type of workshop did you last get your car serviced?*

Last Service

Catalyst To Get Car Serviced

The length of time and the number of kilometres were of comparable import in prompting a service.

Column %	Service Provider Used					Total
	Chain workshop	Independent workshop	Car dealership	Mobile Mechanic	I did it myself	
The length of time since last service	54%	48%	51%	31%	45%	49%
Number of km's since last service	45%	46%	44%	38%	55%	46%
Minor issue with the car	15%	11%	7%	14%	13%	10%
Service light	7%	6%	7%	5%	11%	7%
The workshop contacted me	7%	2%	13%	7%	3%	7%
Major issue with the car	6%	4%	2%	12%	5%	4%
Other	0%	5%	3%	5%	5%	4%
n=	*199*	*521*	*513*	*42*	*92*	*1,390*

*Base: **Had Service in L12M** n=as above: Q17/Q38.What prompted you to get your car serviced / service your car? by S5. At what type of workshop did you last get your car serviced? (Multiple responses permitted)*

Last Service

Service Providers Considered by Service Provider Used

59% of respondents considered an Independent Workshop for their most recent service.

Column %	Service Provider Used					Total
	Chain workshop	Independent workshop	Car dealership	Mobile Mechanic	I did it myself	
Chain Workshop	100%	21%	14%	40%	28%	31%
Independent Workshop	61%	100%	19%	50%	49%	59%
Car Dealership	37%	20%	100%	40%	26%	53%
Mobile Mechanic	24%	10%	11%	100%	23%	16%
n=	*199*	*521*	*513*	*42*	*92*	*1,390*

Those who used a Dealership were notably less likely to consider a Chain workshop; only 14% of those who used a Dealership considered a Chain Workshop.

There did not appear to be a significant amount of 'cross-shopping', with 55% of respondents who did not consider an alternative provider type.
Consideration of Independent workshops by those who used a Dealership – and vice versa – was only about 1 in 5 respondents.

*Base: **Had Service in L12M** n=as above; S5. At what type of workshop did you last get your car serviced?; Q18, Q39. Did you consider getting your vehicle serviced at the following…*

Last Service

Whether Obtained Quote by Service Provider Used

Most respondents did not get a quote before deciding where to get their car serviced.

Column %	Service Provider Used					Total
	Chain workshop	Independent workshop	Car dealership	Mobile Mechanic	I did it myself	
Obtained Quote	38%	26%	21%	50%	15%	26%
Didn’t Obtain Quote	62%	74%	79%	50%	85%	74%
Column n=	*199*	*521*	*513*	*42*	*92*	*1,390*

Those who used a chain workshop or a mobile mechanic were more likely to get a quote.

*Base: **Had Service in L12M** n=AS ABOVE; S5. At what type of workshop did you last get your car serviced?; Q22/Q41. Did you get a quote from any workshop before deciding where to go?;*

Last Service

Require Additional Work by Service Provider Used

It would appear 1 in 4 services require additional work, with additional work more likely amongst those who used a Chain workshop.

		Service Provider Used					Total
	Column %	**Chain workshop**	**Independent workshop**	**Car dealership**	**Mobile Mechanic**	**I did it myself**	
Did it require anything over the standard service?	Yes	30%	26%	21%	14%	17%	24%
	No	66%	70%	76%	79%	80%	73%
	Not Sure	5%	3%	3%	7%	2%	4%
	Column n=	*199*	*521*	*513*	*42*	*92*	*1,390*

Given that newer cars were a) less likely to require parts and labour over and above the standard service, and b) more likely to be serviced at a Dealership, it is understandable that cars serviced by a Dealership were slightly less likely to require additional work (only 21%).

*Base: **Had Service in L12M** n=as above: S5. At what type of workshop did you last get your car serviced?; Q24/Q42 - Did your car require anything additional, over and above the standard service (such as a new part or any additional labour)?*

Profile of Last Service

Additional Work Required

DIFM (Do it For Me) - %	
Engine	16%
Brakes	15%
Wheels/Tyres	13%
Washers/Wipers	8%
Electronics	4%
Air conditioning part	4%
Wheel balance/Alignment	4%
Battery	3%
Lights	3%
Oil	3%
Filters	3%
Suspension	3%
Hoses/Piping	2%
Other	17%
Can't recall	5%
Total	100%

Amongst those who outsourced their service, the most common additional work required related to the engine, brakes or wheels/tyres.

DIY – n	
Wheels/Tyres	5
Brakes	2
Filters	2
Engine	1
Suspension	1
Oil	1
Other	7
Can't recall	1
Total	16

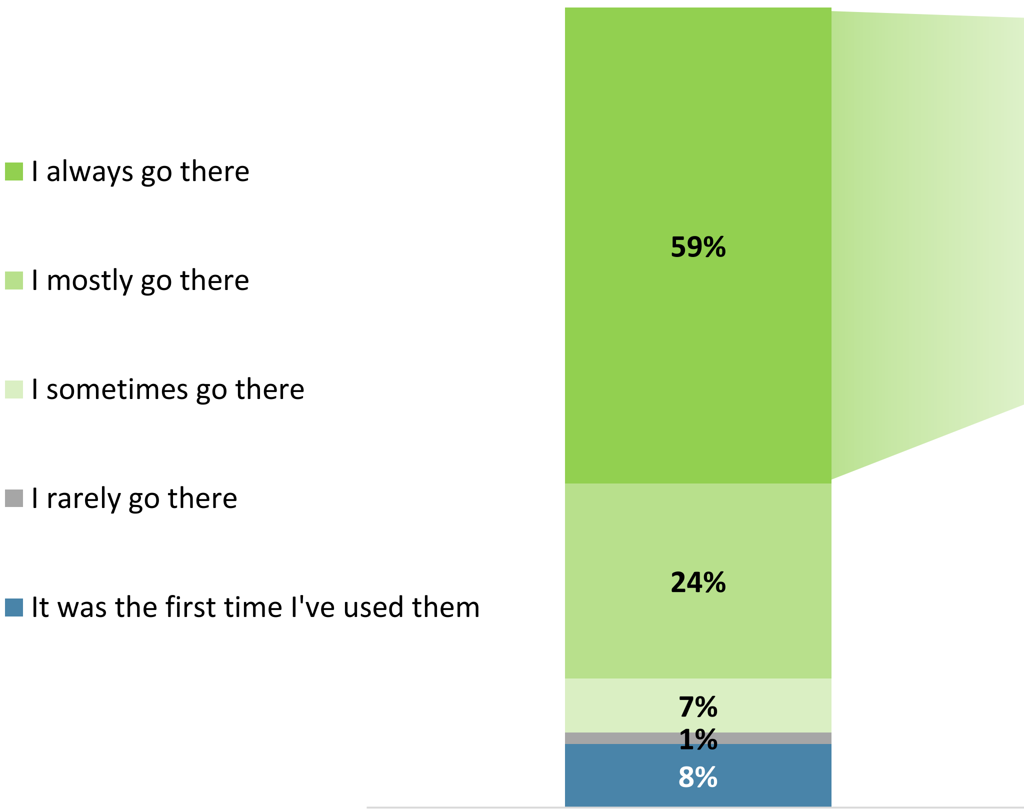
*Base: **Needed Additional Work Done - DIFM** n=350; Q25 - What else did it require? (OPEN); **DIY** n=20; Q43.What else did it require? (OPEN)*

Last Service – 'Do It For Me' (D.I.F.M.)

Last Service - DIFM

Relationship with Service Provider Used

Respondents appeared to be very loyal to their car service provider, with 3 in 5 claiming its the place they always go to.



"I always go there"	
Chain Workshop	44%
Independent Workshop	61%
Car Dealership	65%
Mobile Mechanic	40%

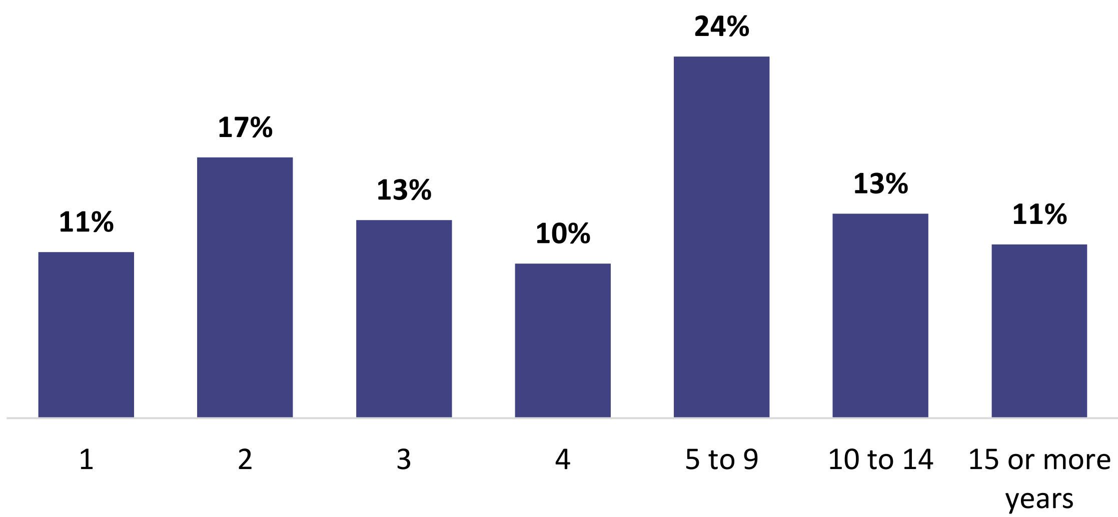
Loyalty is much higher towards car dealerships than others. It is likely that car warranties and service agreements have some influence on loyalty here.

*Base: **DIFM** n=1,346: Q19. Which of the following best describes your relationship to the workshop where you last serviced your car?*

Last Service - DIFM

Relationship with Service Provider Used

How Long (in Years) Have You Been Going There?



The length of the relationship with a service provider is significant (on average 6 ½ yrs).

	Service Provider Used			
	Chain workshop	**Independent workshop**	**Car dealership**	**Mobile Mechanic**
Average Number of Years	5.0	8.5	5.0	4.4

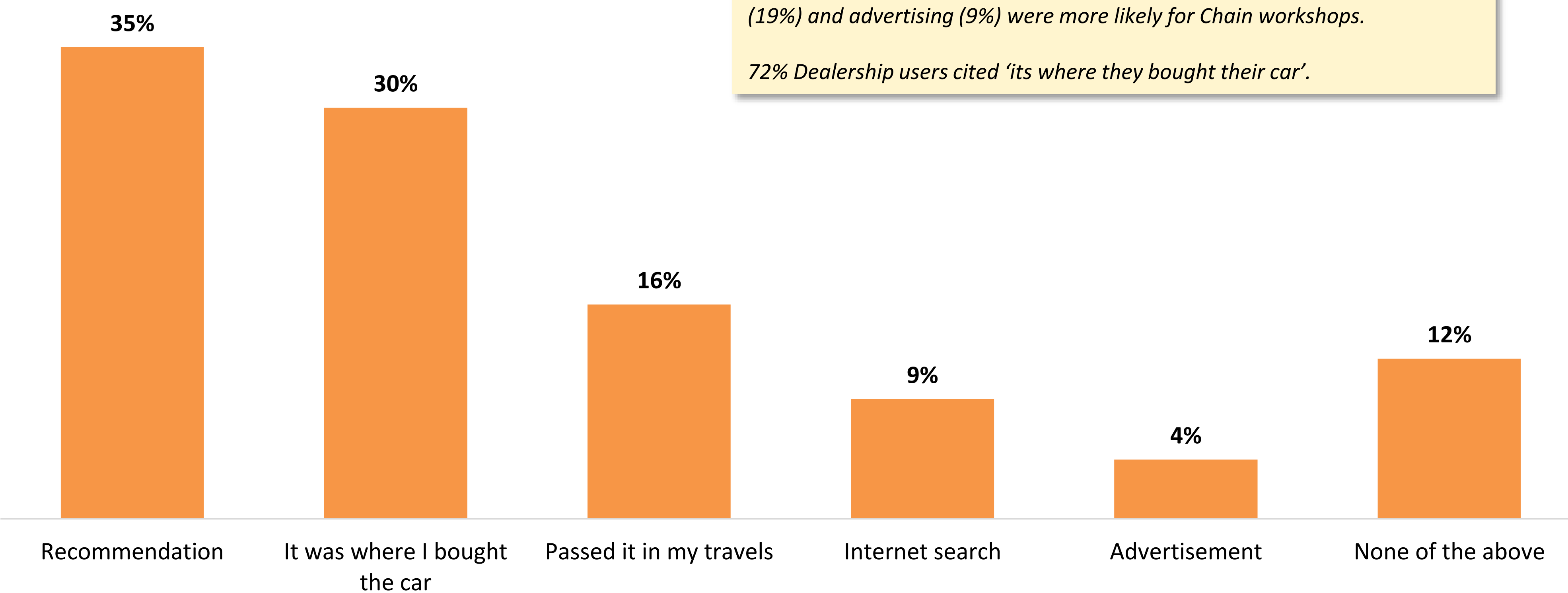
*Base: **DIFM** n=1,346; Q20. Thinking about the specific workshop where you had your car serviced, about how long in years have you been going there?*

Last Service - DIFM

How Did You Find the Workshop?

Recommendation was significantly more prominent amongst those who used Independent Workshops (59%), whereas passed on travels (38%), web search (19%) and advertising (9%) were more likely for Chain workshops.

72% Dealership users cited 'its where they bought their car'.



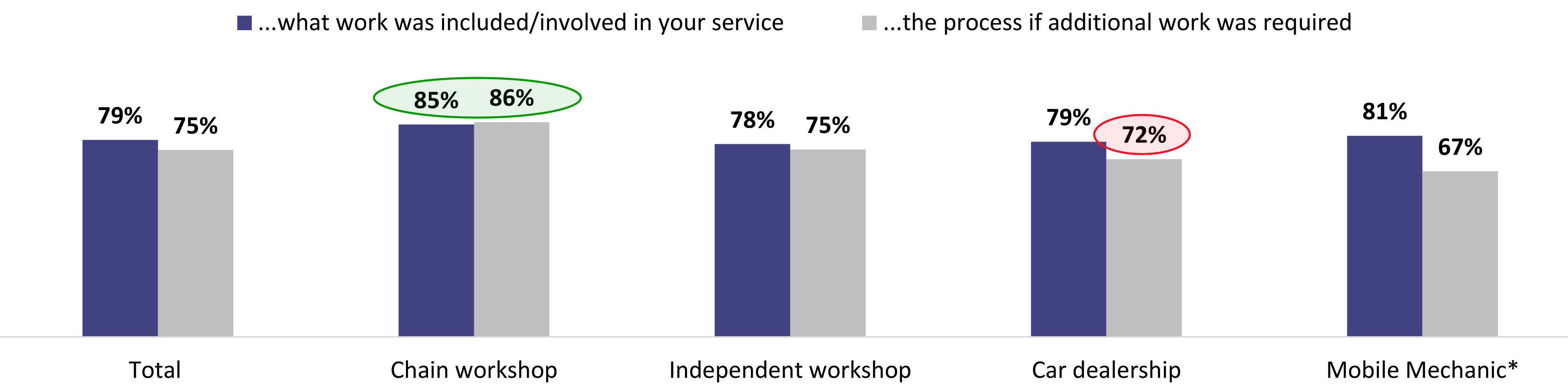
*Base: **DIFM** n=1,346: Q21. How did you find the workshop?*

Last Service - DIFM

Explanation of Work Pre-Service

Before the service, 2 out of 3 workshops explained both what work was involved, AND the process if additional work was required.

Before the Service, Did The Workshop Explain…



A link exists between being given an explanation and being satisfied with the service. Respondents who had both elements explained to them were more likely to be completely satisfied (57%), whilst those who had neither explained to them were less so (29%).

Column %	Service Provider Used: Chain workshop	Independent workshop	Car dealership	Mobile Mechanic	Total
Explained work involved, but not process	7%	10%	15%	17%	11%
Explained process, but not work involved	7%	8%	8%	8%	2%
Explained Both	68%	79%	68%	64%	64%
Explained Neither	7%	15%	14%	17%	13%

** Small Sample*

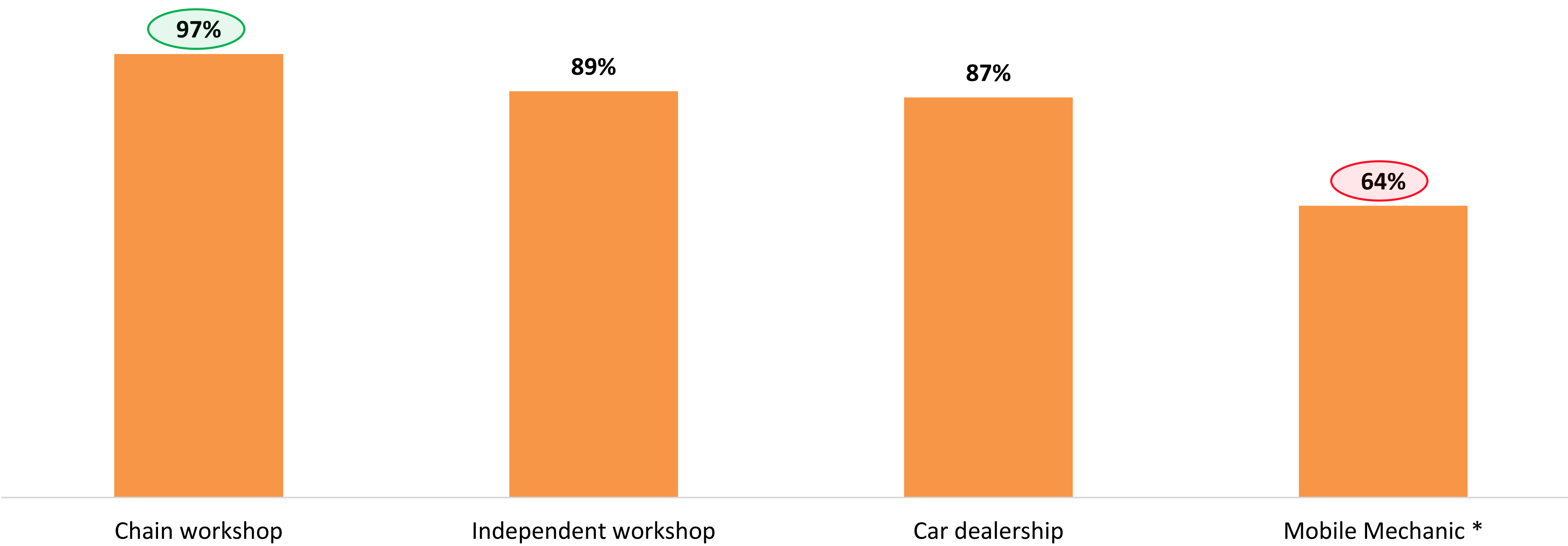
*Base: **DIFM** n=1,346, **Chain workshop** n=204, **Independent workshop** n=539, **Car dealership** n=534, **Mobile Mechanic** n=46; Q23. Before the service, did the workshop explain…*

Last Service - DIFM

% Sought Approval For Any Additional Work Required

Most workshops sought approval before doing additional work.

Interestingly, satisfaction with their service did not differ by whether approval was sought or not.

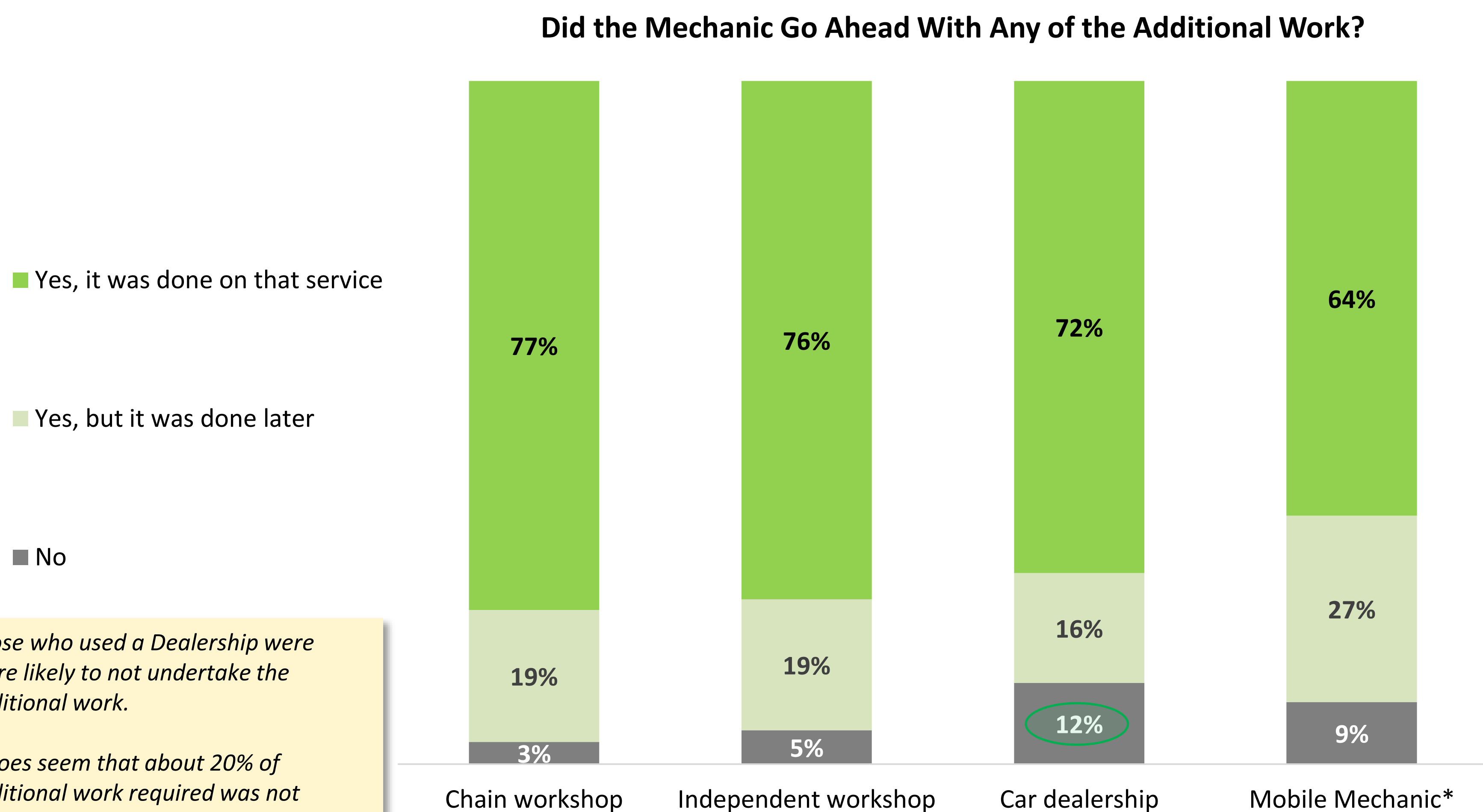


** Small Sample*

*Base: **Required Additional Work:*** **Chain workshop** *n=65,* **Independent workshop** *n=145,* **Car dealership** *n=124,* **Mobile Mechanic** *n=13;*
Q26. Did the workshop seek your approval before going ahead with the additional work?

Last Service - DIFM

Additional Work Undertaken



Those who used a Dealership were more likely to not undertake the additional work.

It does seem that about 20% of additional work required was not completed in one service.

** Small Sample*

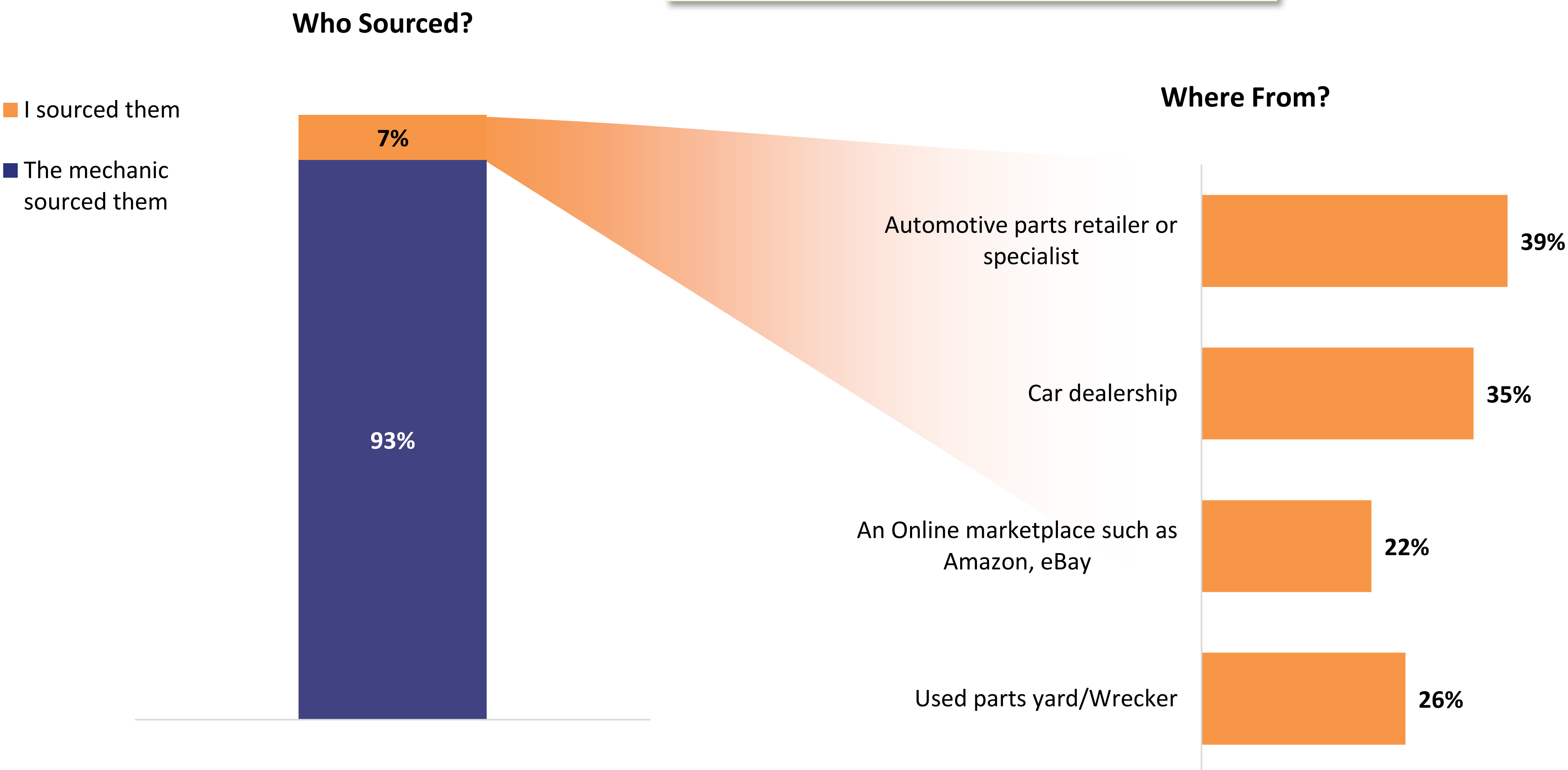
*Base: **Required Additional Work:*** **Chain workshop** *n=65,* **Independent workshop** *n=145,* **Car dealership** *n=124,* **Mobile Mechanic** *n=13;*
Q28. Did the mechanic go ahead with any of the additional work?

Last Service - DIFM

Who Sourced The Parts?

The vast majority of parts were sourced via the mechanic.

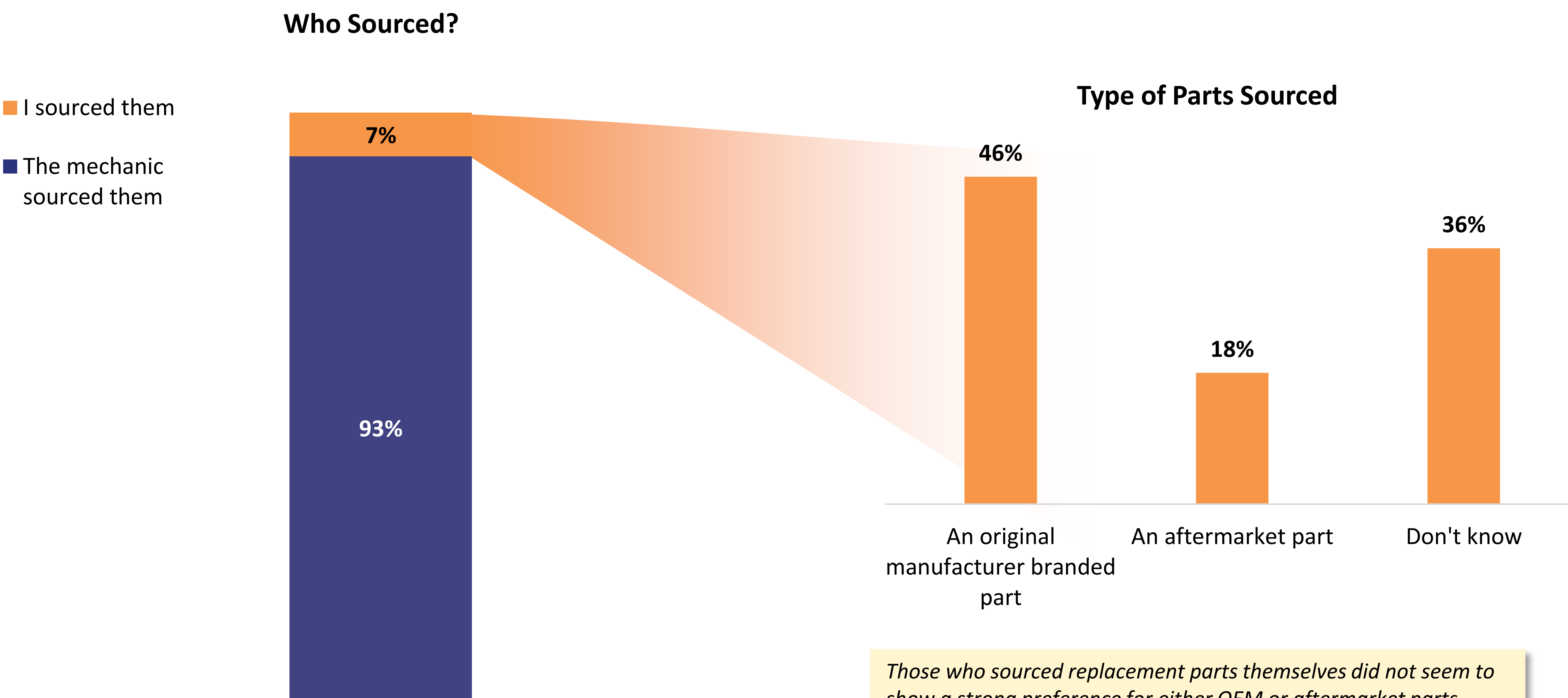
Amongst the few who source parts themselves, there was no predominant source of replacement parts.



*Base: **Additional Work Done** n=310; Q29. How did you get the parts?; **Source Parts Themselves** n = 23; Q33.Where did you source the parts from?*

Last Service - DIFM

Type of Parts Sourced



Those who sourced replacement parts themselves did not seem to show a strong preference for either OEM or aftermarket parts.

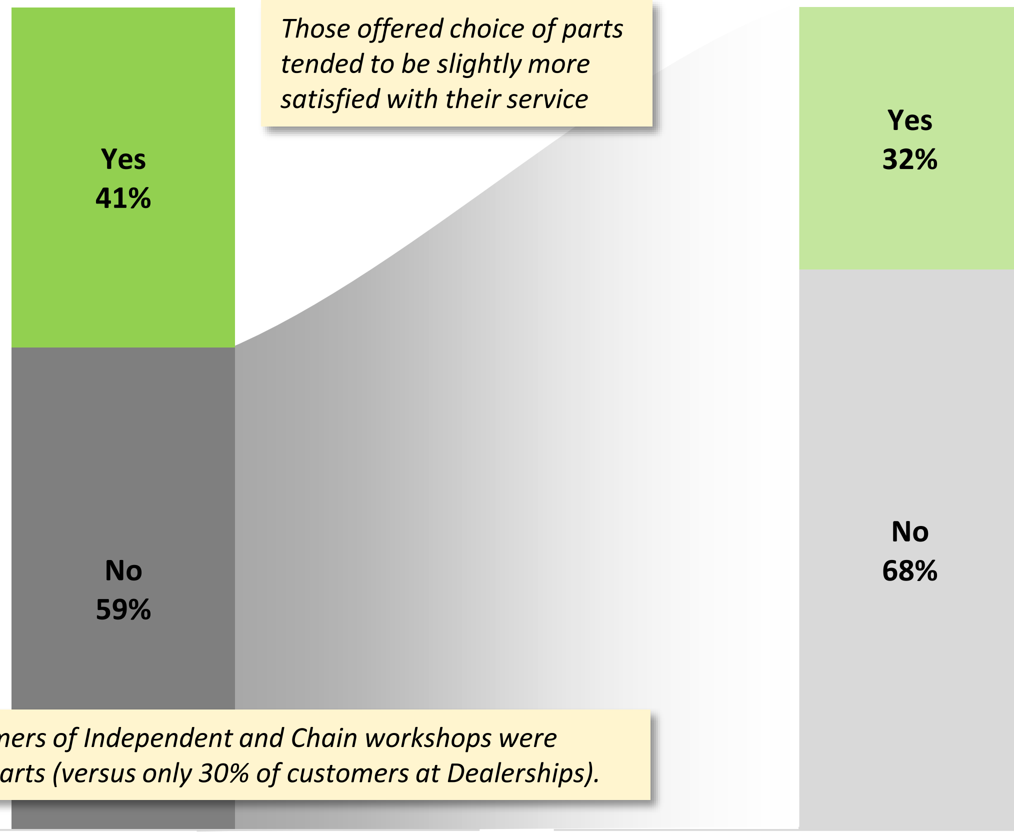
*Base: **Additional Work Done** n=310; Q29. How did you get the parts?; **Source Parts Themselves** n = 23; Q33.Where did you source the parts from?*

Last Service - DIFM

Choice of Parts When Additional Work Required

Were You Offered a Choice of Parts?
(i.e. aftermarket vs original, brands, etc)

Would You Like To Have Been Offered?



Those offered choice of parts tended to be slightly more satisfied with their service

Equalling 18% of all people who had additional work done

Equalling 39% of people who had additional work done

68% of people who were not offered a choice of parts, did not want to be offered.
At this point in time, choice of parts holds little appeal.

About 55% of customers of Independent and Chain workshops were offered a choice of parts (versus only 30% of customers at Dealerships).

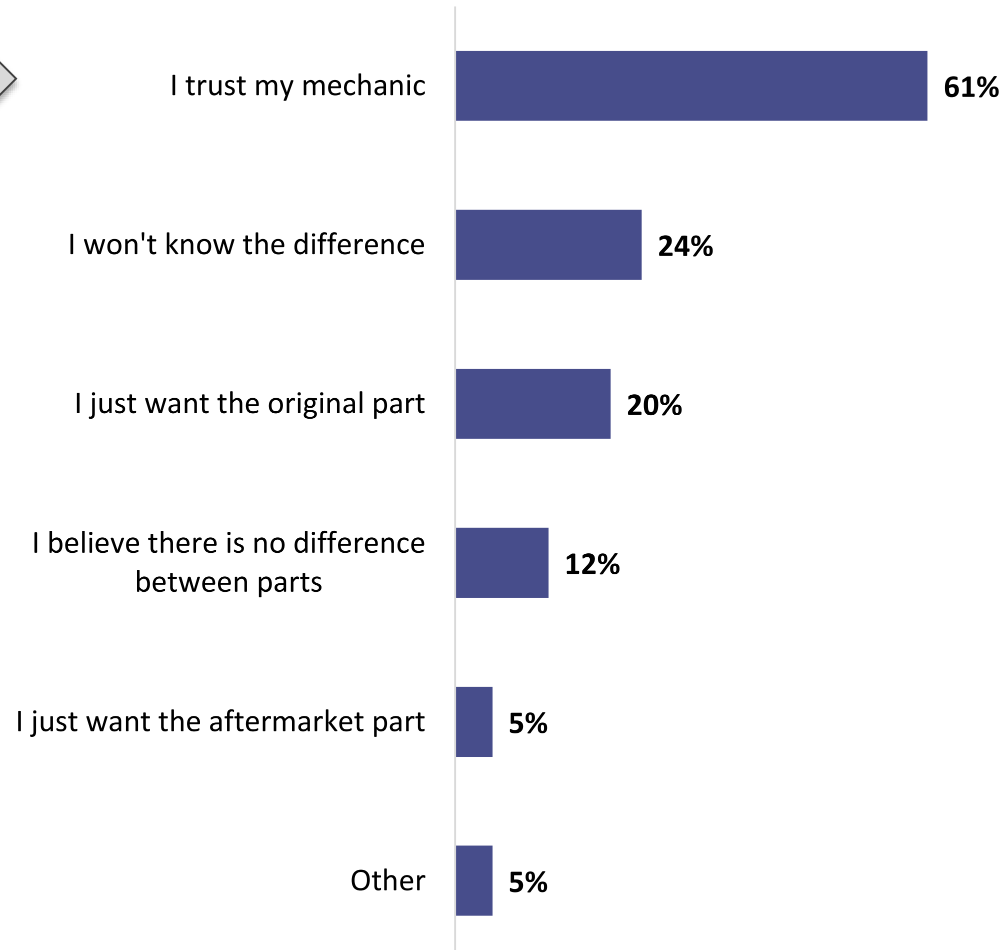
Base: ***Additional Work Done*** *n=310; Q30 - Did your mechanic give you a choice in which parts to use i.e. aftermarket vs original, particular brands? Q31 - Would you have liked to have been offered a choice in parts?*

Last Service - DIFM

Choice of Parts

Did Not Want to Be Offered a Choice in Parts	39%

Why Not?



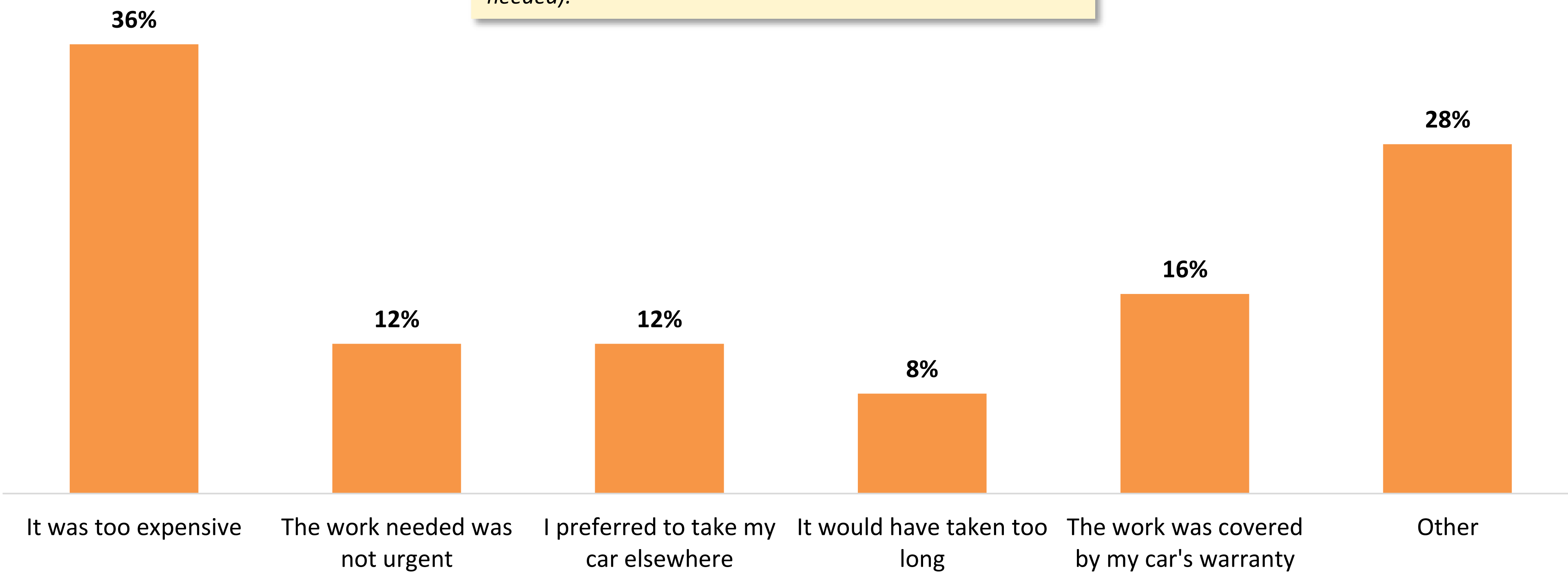
Base: ***Additional Work Done, But Did Not Want a Choice in Parts*** *n=121: Q32. Why is a choice of parts not important to you?*

Last Service - DIFM

Why Was Additional Work Not Undertaken?

Additional Work Not Undertaken When Required	7%

Cost was the #1 reason additional work was not undertaken (albeit it was rare for additional work not to be done when needed).



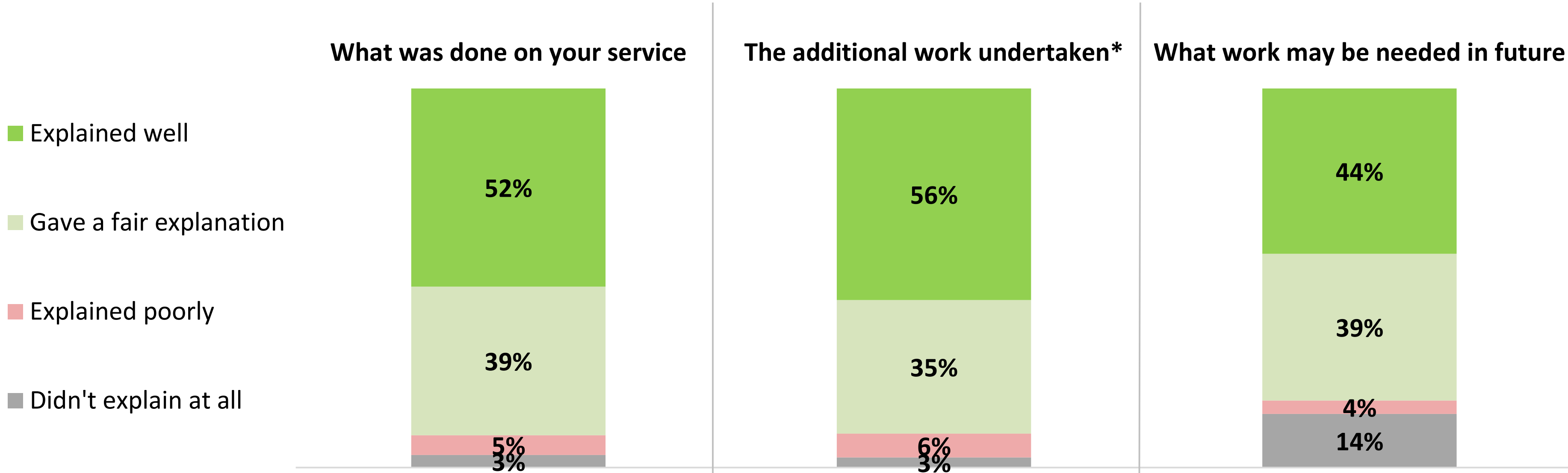
Small Sample

*Base: **Additional Work Not Done** n=26; Q35. Why did the mechanic not do the additional work?*

Last Service - DIFM

How Well Did The Workshop Explain…

Respondents were generally happy with the explanations provided by their workshop.



% Explained Well	What was done on your service	The additional work undertaken*	What work may be needed in future
Chain Workshop	49%	50%	43%
Independent Workshop	58%	63%	53%
Car Dealership	47%	51%	34%
Mobile Mechanic	48%	55%	48%
Total	**52%**	**56%**	**44%**

**If additional work was required (n=335)*

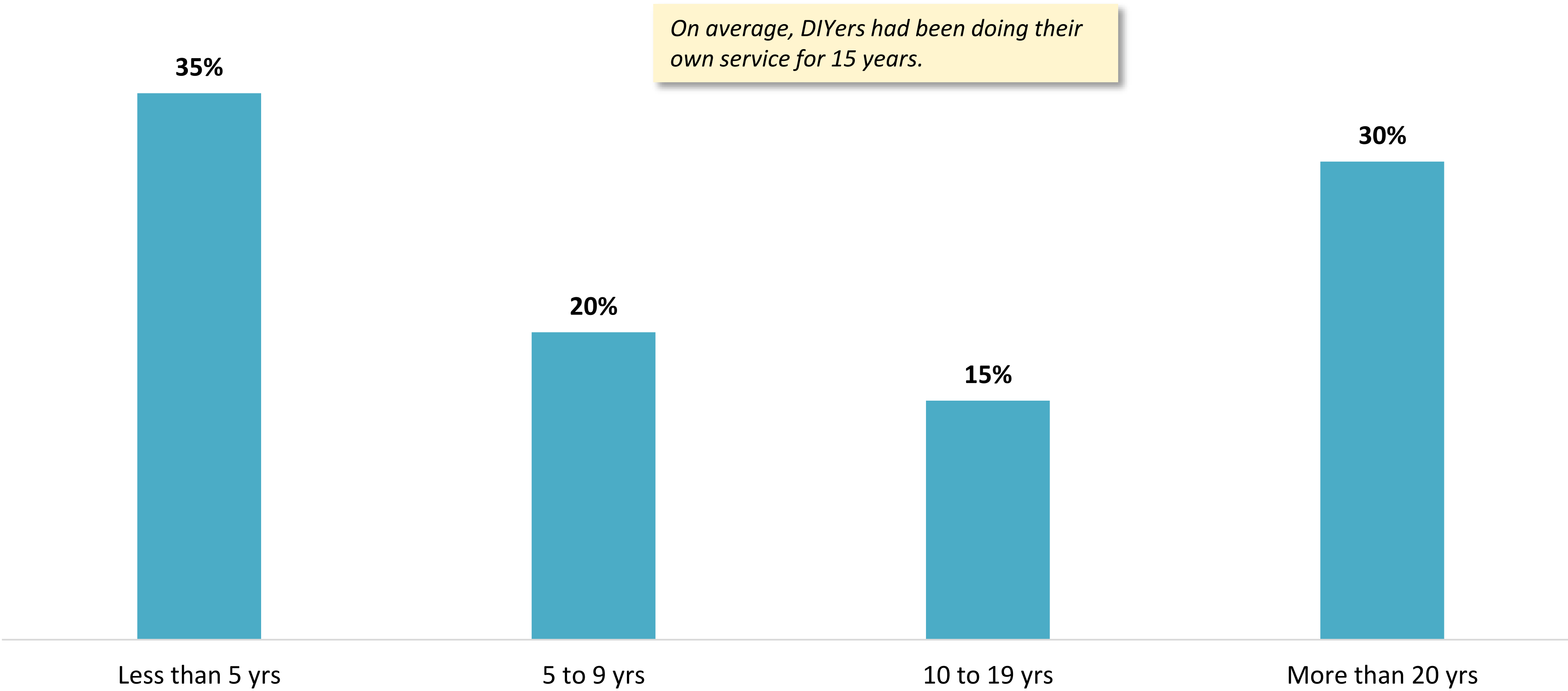
Dealerships did a significantly poorer job of explaining future work.

*Base: **DIFM** n=1,298; **Additional Work Required** n=335: Q27. How well did the workshop explain the additional work required?; **DIFM** n=1,298: Q36. When you collected your car, how well did the workshop explain what was done on your service?; Q37. How well did the mechanic inform you about what work may be required in the future for the car?*

Last Service – D.I.Y.

Last Service - DIY

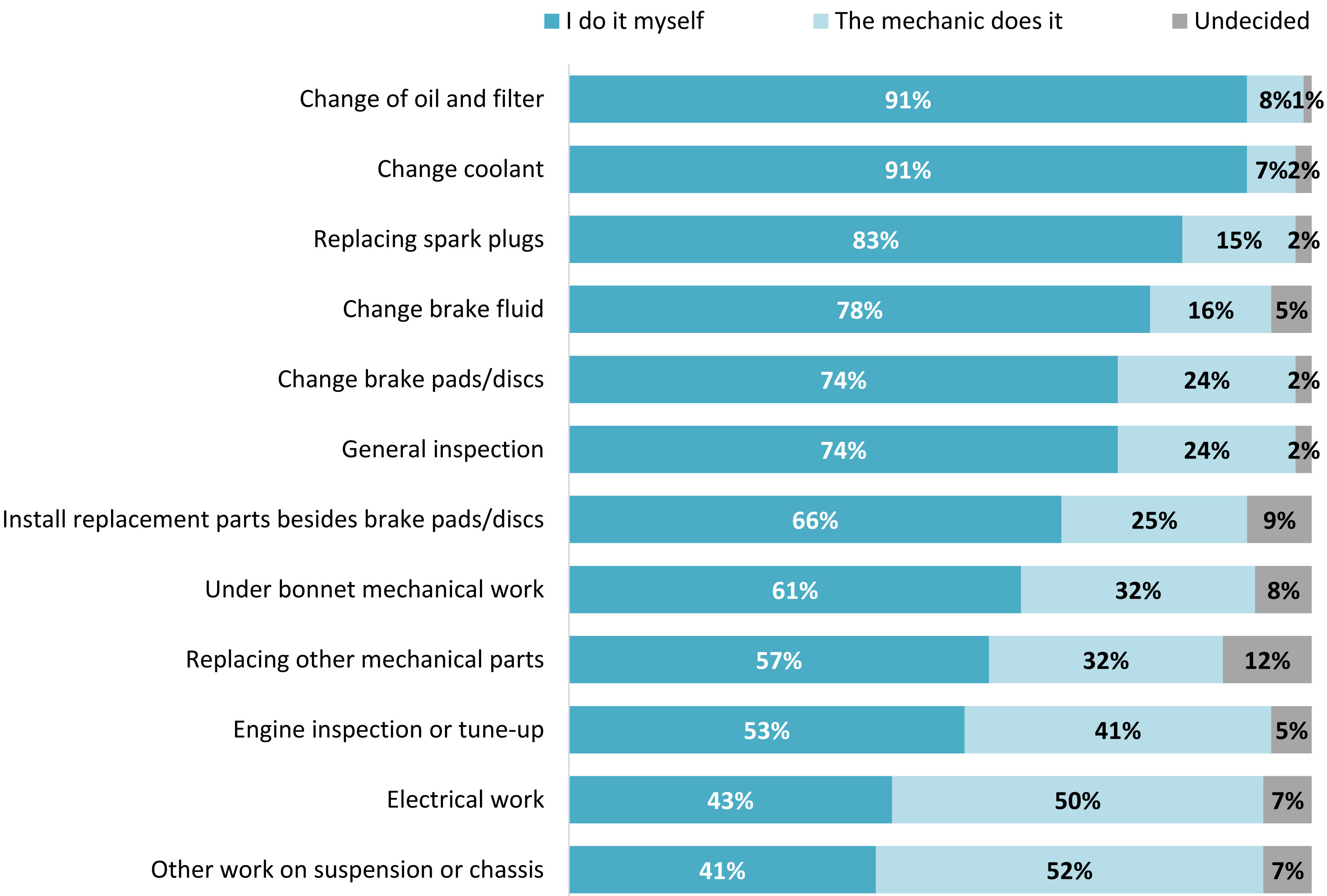
How Long Have You Been Servicing Your Own Car?



*Base: **DIY** n=96; Q40. About how long have you been servicing your own car?*

Last Service - DIY

Extent of DIY Capabilities



There appears to be a clear hierarchy with regards the servicing tasks they feel confident addressing themselves.

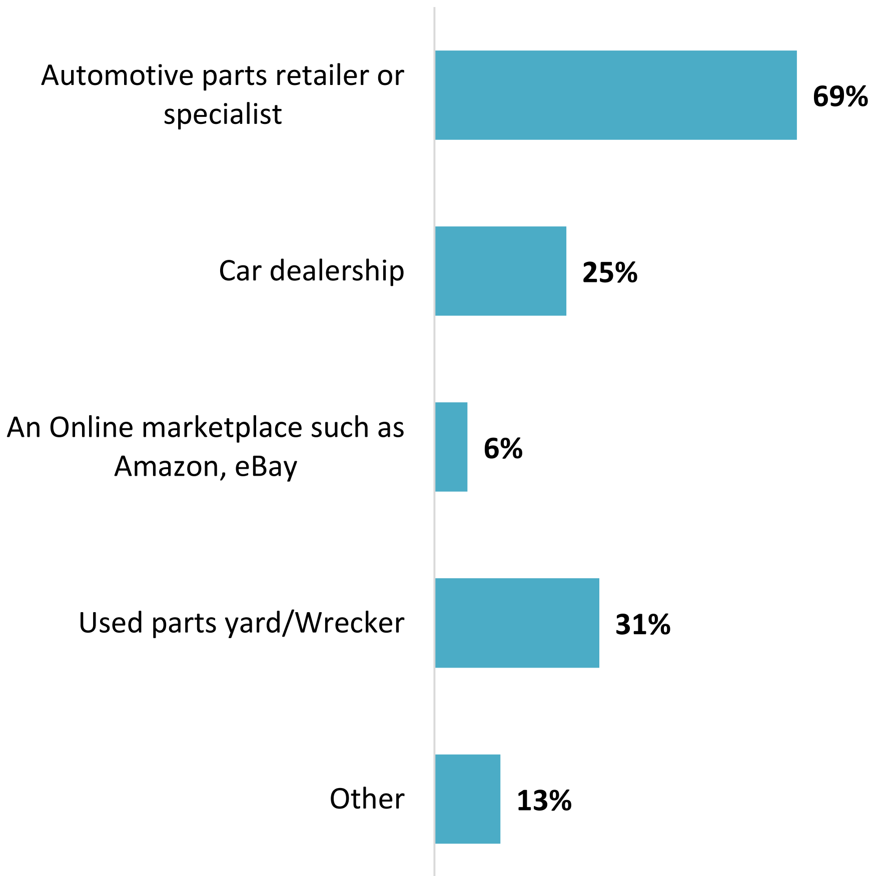
*Base: **DIY** n=96; Q46 - Which of the following do you do yourself and which do you use a mechanic for?*

Last Service - DIY

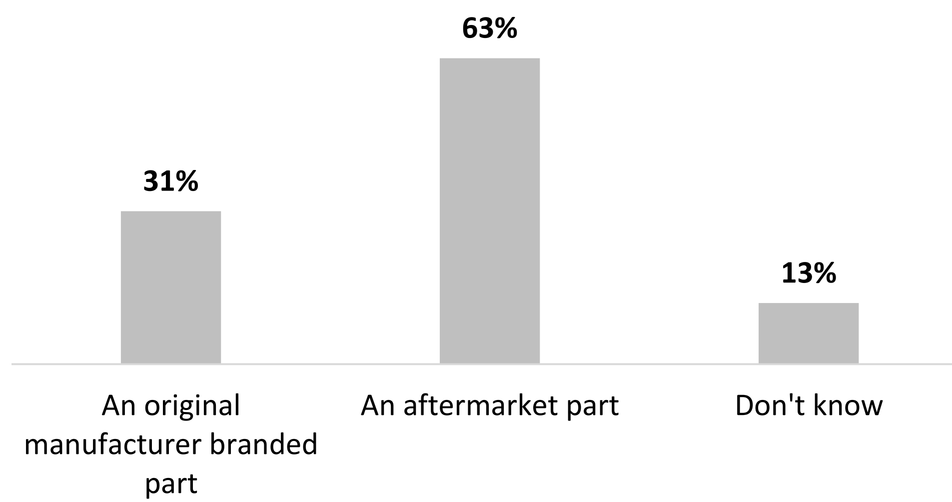
Sourcing Replacement Parts

There was a slight preference amongst DIYers to be buying from Automotive parts retailers and to be buying aftermarket parts.

Where Did You Source Parts From?



Type of Part(s) Sourced



Small Sample

Base: ***DIY, Required Additional Work*** *n=20; Q44. Where did you source the parts from? Q45. Were the part/s…*

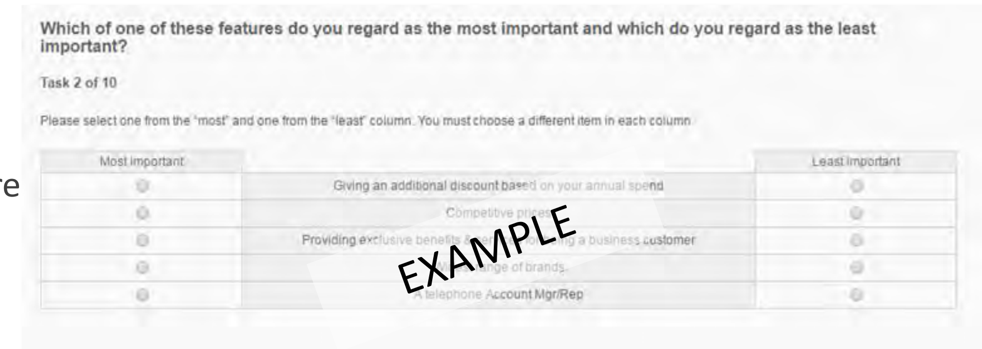
Choosing a Workshop

Background to Max Diff Analysis

- MaxDiff is an approach for obtaining preference/importance scores for a list of multiple items - be they brand preferences, brand images, product features, advertising claims, etc.

- MaxDiff (otherwise known as Best-Worst) involves survey takers indicating the ‘Best’ and the ‘Worst’ options out of a given set.

- Respondents typically complete a dozen or more such sets where each set contains a different subset of items. The combinations of items are designed with the goal that each item is shown an equal number of times and pairs of items are shown an equal number of times. Each respondent typically sees each item two or more times across the MaxDiff sets.

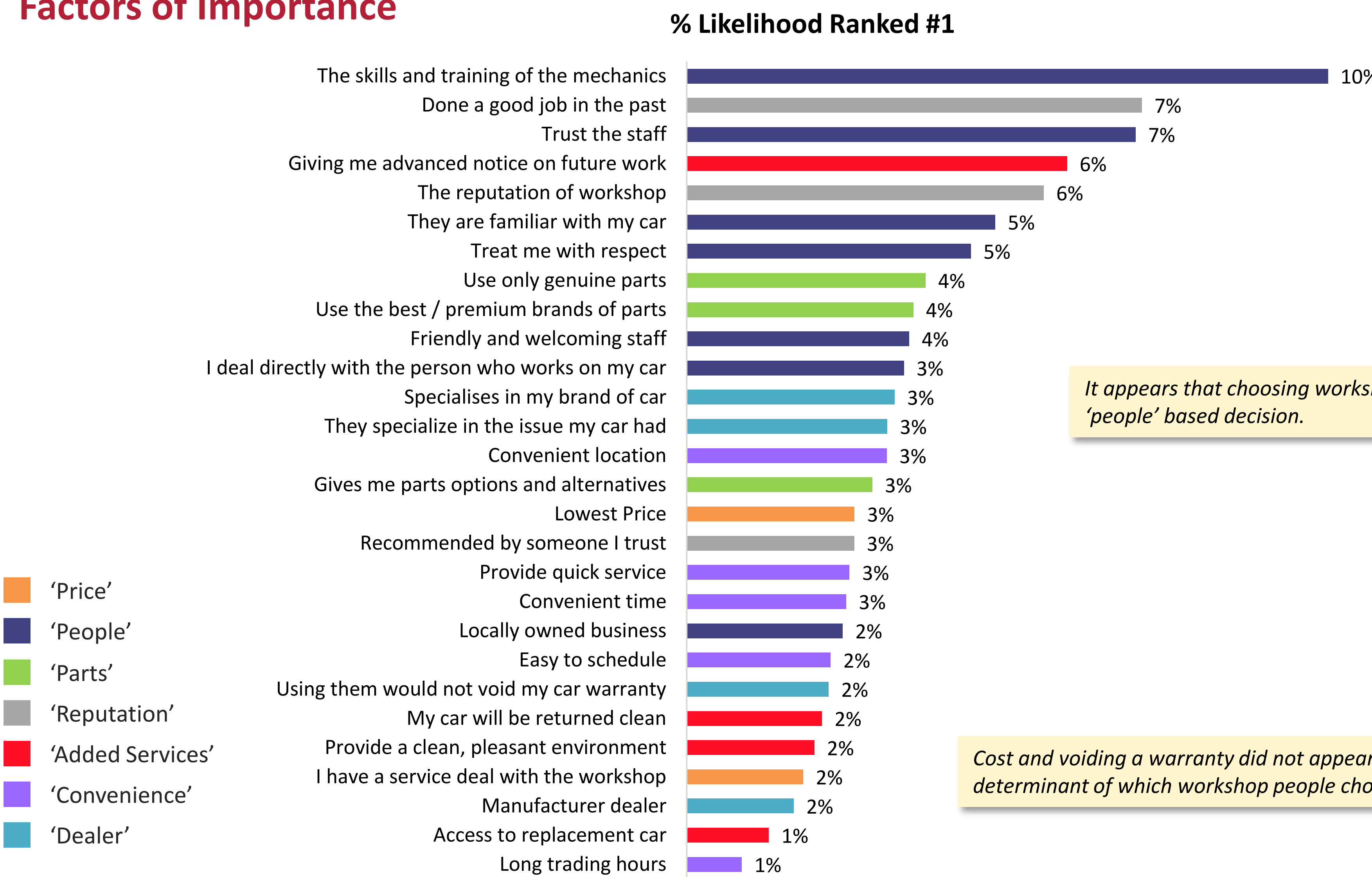


- Advantages:
  - MaxDiff scores demonstrate greater discrimination among items and between respondents on the items.
  - The MaxDiff question is simple to understand, so a broader range of respondents - ie from a variety of educational and cultural backgrounds - can provide reliable data.
  - Since respondents make choices rather than expressing strength of preference using some numeric scale, there is no opportunity for scale use bias.

- The resulting item scores are placed on a 0 to 100 point common scale – which shows relative importance - and sum to 100 i.e. an attribute with 10% would be twice as important as an attribute with 5%.

Choosing a Workshop

Factors of Importance



It appears that choosing workshop is a 'people' based decision.

Cost and voiding a warranty did not appear as a major determinant of which workshop people chose to use.

*Base: **DIFM** n=1,346; Q49. When deciding where to get your car serviced, which attribute was the MOST important to you and which one was LEAST important? (MaxDiff Analysis)*

Choosing a Workshop

Factors of Importance – Segment Identification

Grouping respondents by their decision making with regards to choice of workshop identified 4 segments.

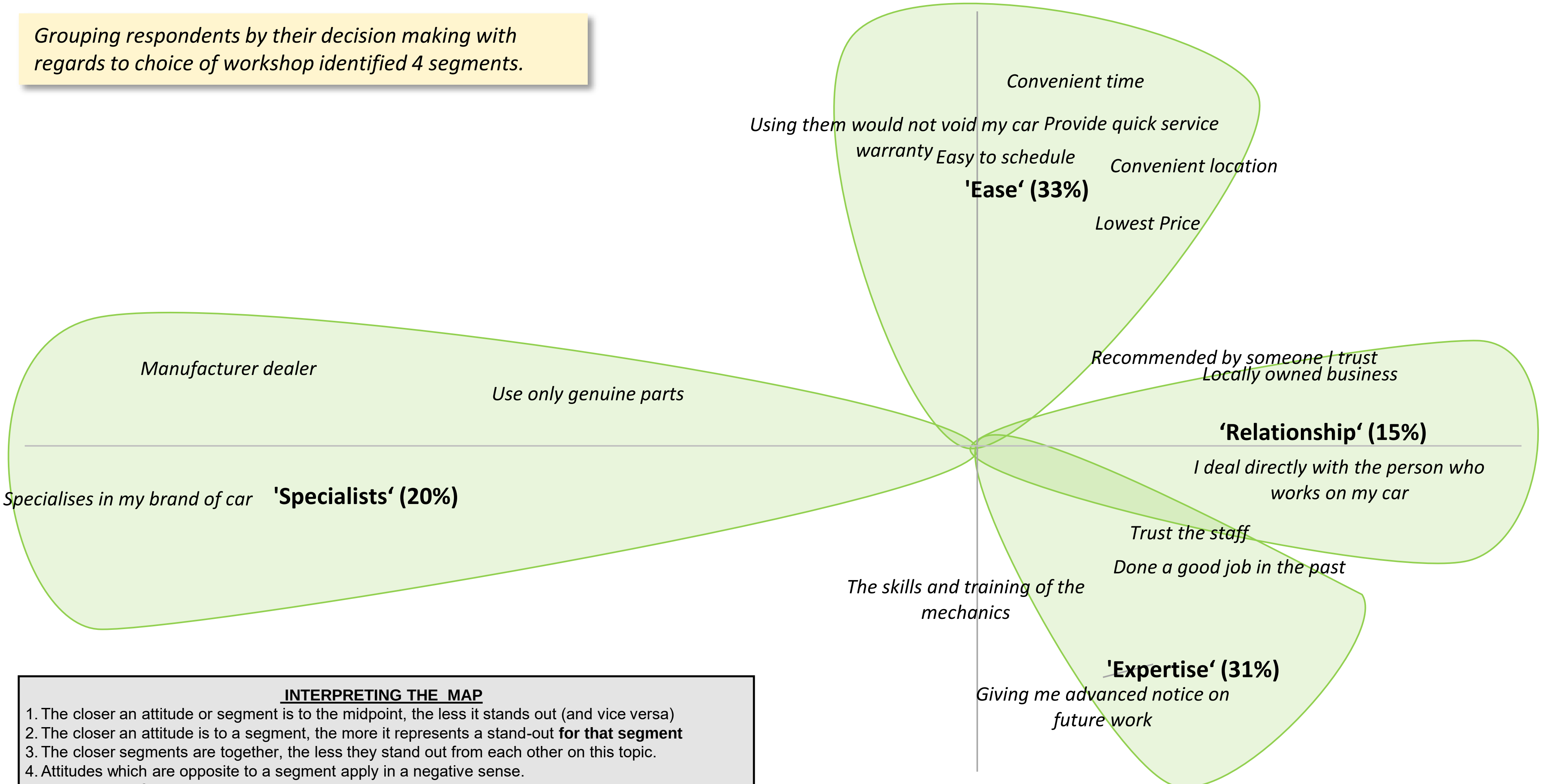
Column %	Segment				Total
	'Specialist'	'Expertise'	'Ease'	'Relationship'	
The skills and training of the mechanics	15%	21%	10%	11%	15%
Done a good job in the past	5%	17%	8%	15%	11%
Trust the staff	7%	13%	7%	17%	11%
Giving me advanced notice on future work	5%	20%	7%	7%	10%
Use only genuine parts	10%	4%	6%	2%	6%
I deal directly with the person who works on my car	2%	6%	4%	12%	5%
Specialises in my brand of car	30%	2%	5%	1%	5%
Convenient location	2%	2%	8%	6%	5%
Lowest Price	1%	3%	6%	3%	4%
Recommended by someone I trust	1%	3%	4%	6%	5%
Provide quick service	1%	2%	7%	3%	4%
Convenient time	2%	1%	7%	3%	4%
Locally owned business	1%	3%	4%	8%	4%
Easy to schedule	2%	2%	6%	3%	4%
Using them would not void my car warranty	3%	1%	6%	2%	4%
Manufacturer dealer	12%	1%	4%	0%	3%
n=	*269*	*415*	*456*	*206*	*1,346*

*Base: **DIFM** n=1,346; Q49 - When deciding where to get your car serviced, which attribute was the MOST important to you and which one was LEAST important? MAXDIFF, Segments MAX DIFF*

Choosing a Workshop

Factors of Importance – Correspondence Analysis by Segment

Grouping respondents by their decision making with regards to choice of workshop identified 4 segments.



INTERPRETING THE MAP

1. The closer an attitude or segment is to the midpoint, the less it stands out (and vice versa)
2. The closer an attitude is to a segment, the more it represents a stand-out **for that segment**
3. The closer segments are together, the less they stand out from each other on this topic.
4. Attitudes which are opposite to a segment apply in a negative sense.
5. The clover leaf shows a segment's primary stand-out area.

*Base: **DIFM** n=1,346; Q49. When deciding where to get your car serviced, which attribute was the MOST important to you and which one was LEAST important? (MaxDiff Analysis)*

Choosing a Workshop

Workshops Used by Segment

83% of 'specialists' (i.e. people looking for a workshop that specialises in their brand of car and uses only genuine parts) had their car last serviced at a Dealership.

Dealerships attract nearly all of their customers from the 'Specialists' and the 'Ease' groupings.

Workshop Share of Segment

	Segment			
Column %	'Specialist'	'Expertise'	'Ease'	'Relationship'
Chain workshop	6%	18%	17%	17%
Independent workshop	9%	58%	27%	72%
Car dealership	83%	17%	50%	6%
Mobile Mechanic	2%	4%	4%	1%
n=	*260*	*403*	*434*	*201*

People looking for a 'relationship' with their motor mechanic were significantly more likely to use an independent.

Segment Share of Workshop Customers

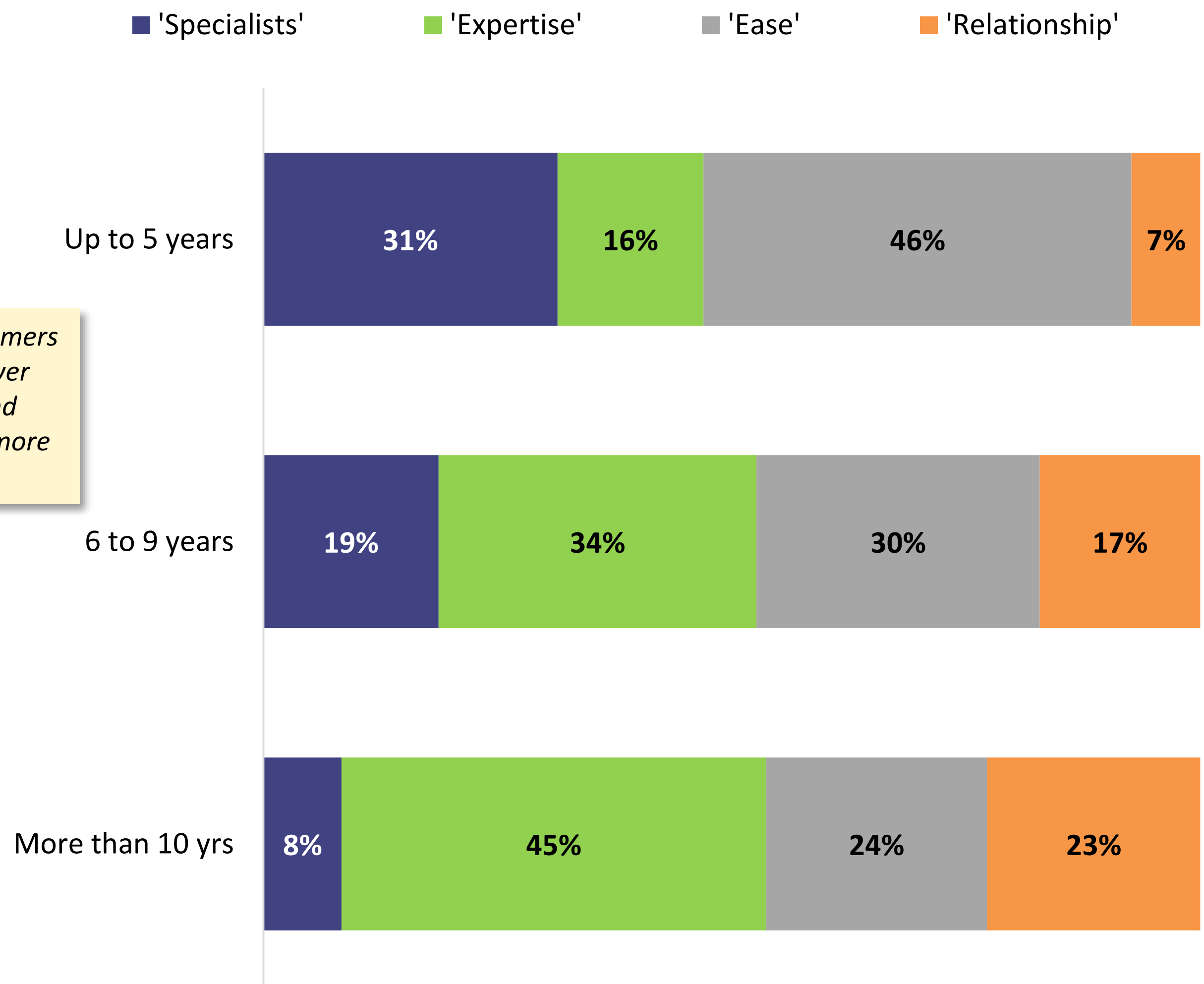
	Segment				
Row %	'Specialist'	'Expertise'	'Ease'	'Relationship'	*Row n*
Chain workshop	8%	37%	38%	18%	*199*
Independent workshop	5%	45%	23%	28%	*521*
Car dealership	42%	14%	42%	2%	*513*
Mobile Mechanic	12%	38%	43%	7%	*42*

People looking for a 'relationship' represent 28% of an independent workshops customers

*Base: **DIFM** n=as above: Q49. When deciding where to get your car serviced, which attribute was the MOST important to you and which one was LEAST important? (MaxDiff Analysis); S5. At what type of workshop did you last get your car serviced?*

Choosing a Workshop

Segments by Age of Car Owned



'Specialists' and 'Ease' customers were more likely to own newer cars, whilst 'Relationship' and 'Expertise' customers were more likely to own older cars.

*Base: **DIFM** n=1,346; Q3.Age of car, Segments (MaxDiff Analysis)*

Choosing a Workshop

Factors of Importance – Non-Dealerships Relative to Dealerships

A score of 100 means Non-dealer customers placed identical weight on this aspect as Dealer customers.

A score of 200 means Non-dealer customer placed twice as much emphasis on that aspect and a score of 50 means they placed half as much emphasis.

Relative Importance (Non-Dealership Indexed to Dealership)

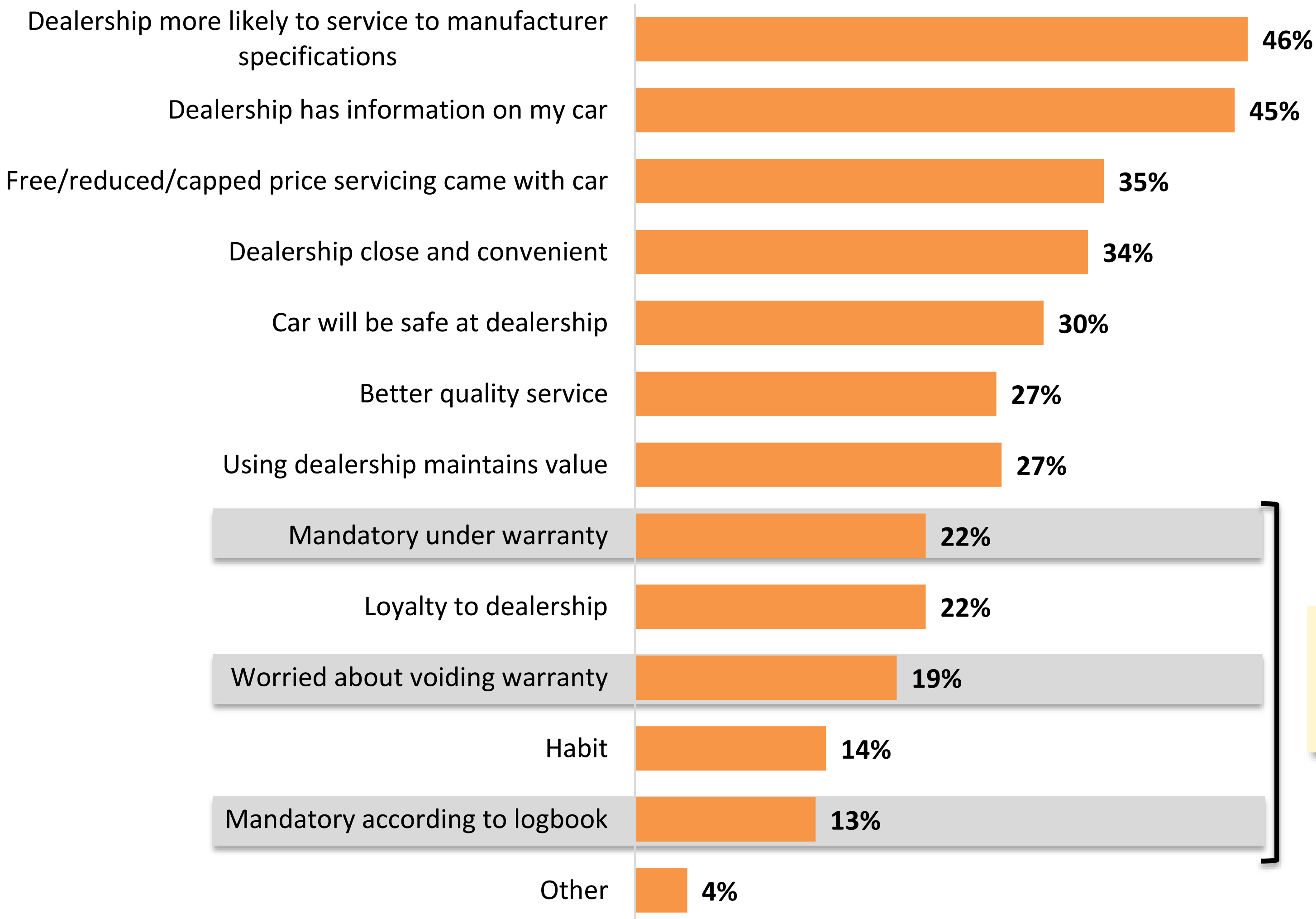
People who did not visit a Dealership placed more emphasis on dealing with the mechanic, being locally owned, being recommended, trust and flagging future work.

They did place greater weight on Lowest price, but it was not a major factor nor differentiator.

*Base: **Dealership** n=513, **Non-Dealership** n= 785; Q49. When deciding where to get your car serviced, which attribute was the MOST important to you and which one was LEAST important? (MaxDiff Analysis); S5. At what type of workshop did you last get your car serviced?*

Choosing a Workshop

Why Choose a Dealership?

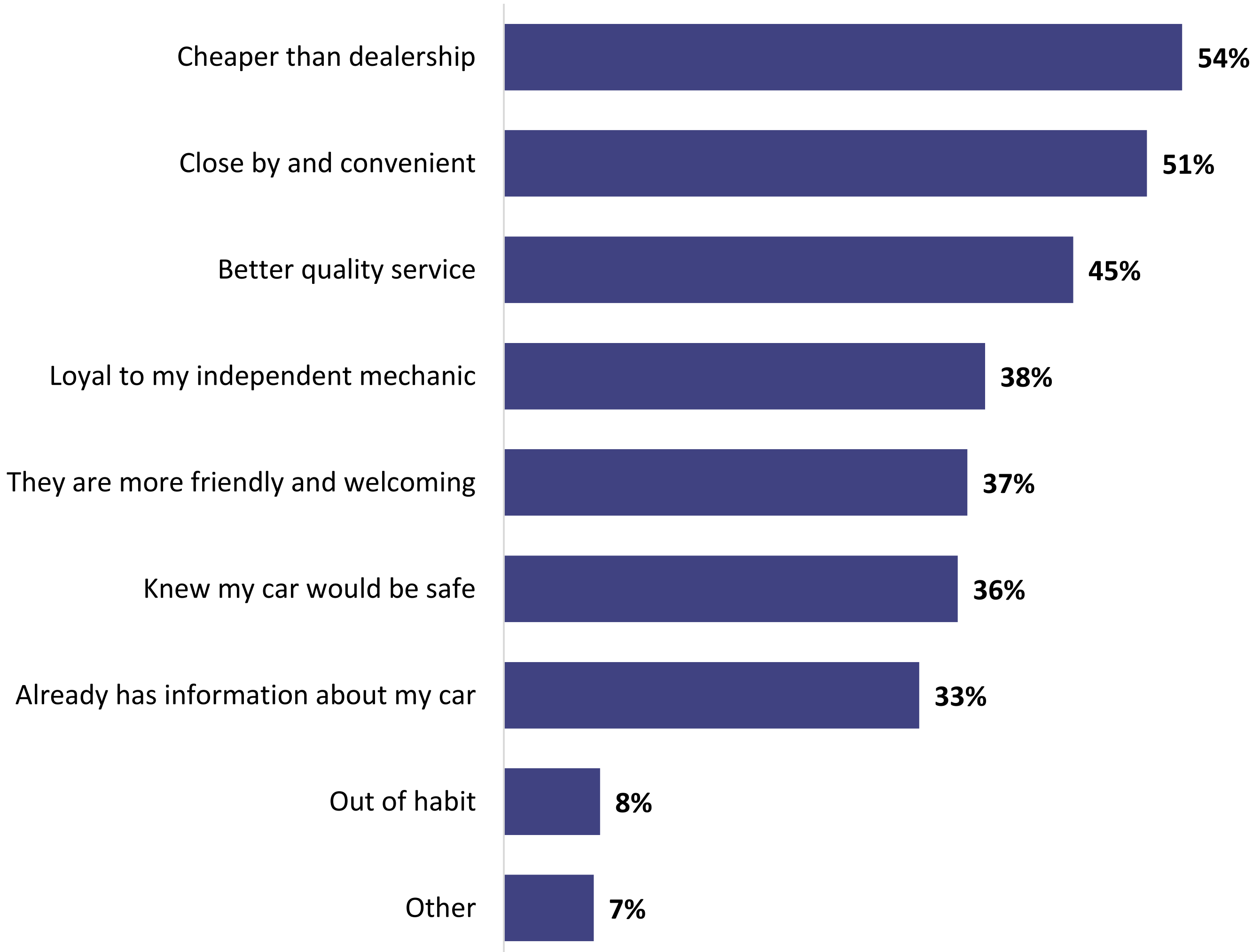


38% of those who used a dealership did so due to warranty or the belief that it is mandatory.

*Base: **Serviced at Dealership** n=534; Q50 - Why did you choose a dealership for servicing rather than an independent mechanic or a chain workshop?*

Choosing a Workshop

Why Choose an Independent?

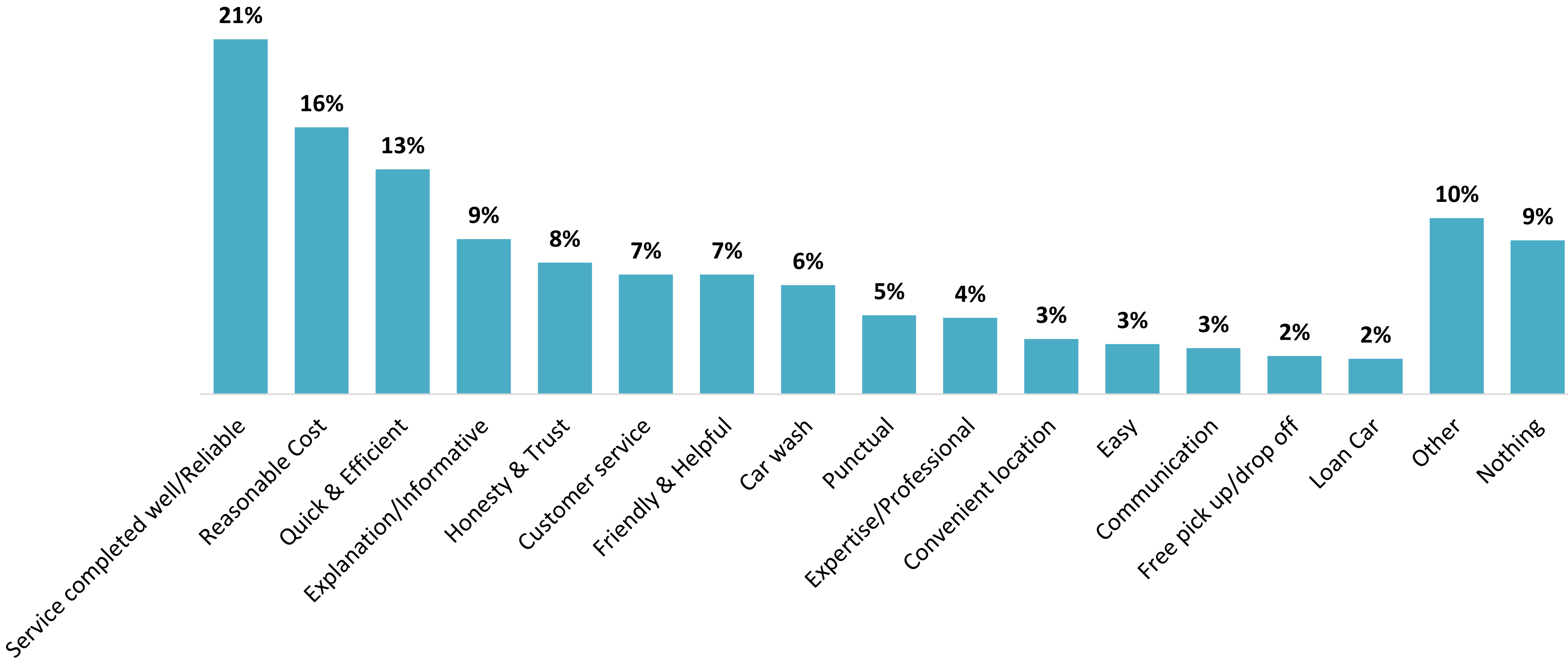


*Base: **Serviced at Independent or Chain Workshop** n=812; Q51 - Why did you choose an independent mechanic rather than a dealership for servicing your car?*

Satisfaction With Most Recent Service

Satisfaction with Most Recent Service

Likes



*Base: **DIFM** n=1,346; Q48. What's the #1 thing you liked about the last time you had your car serviced? Other things? (OPEN)*

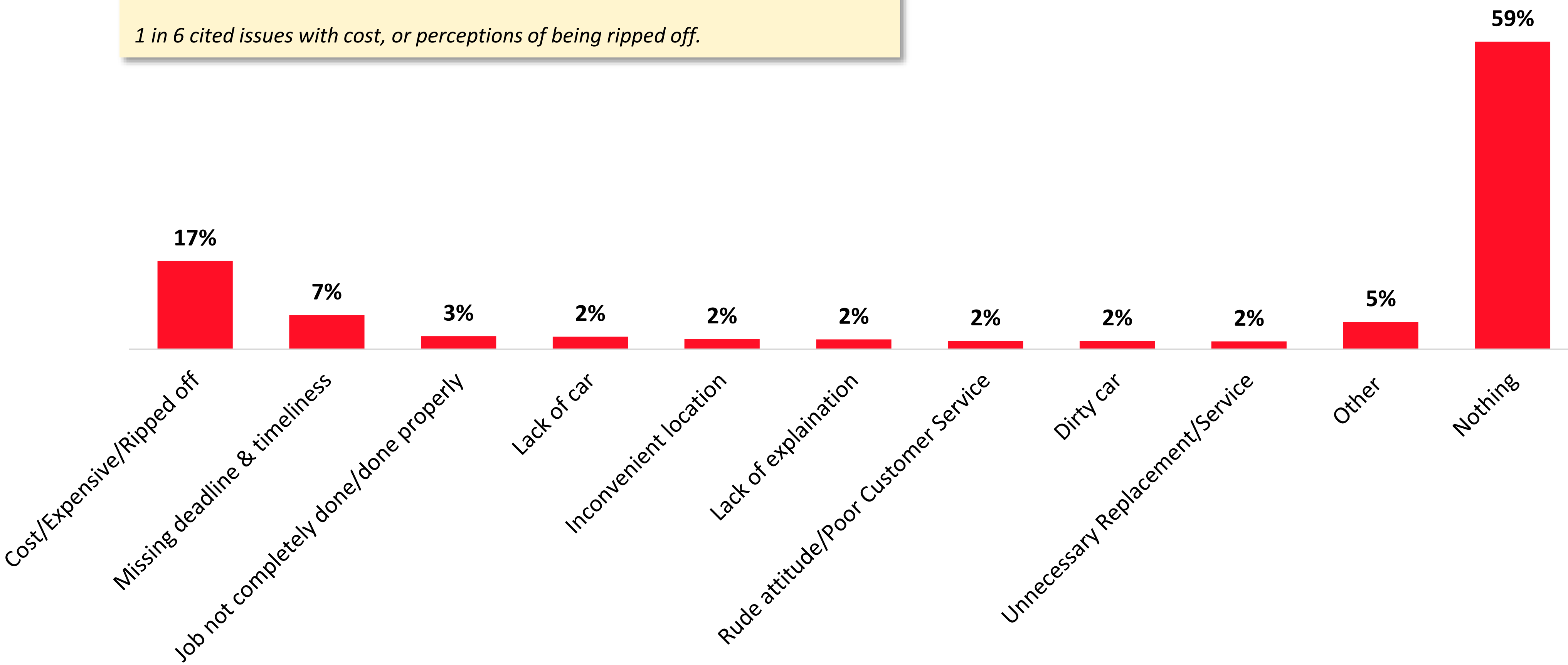
Satisfaction with Most Recent Service

Dislikes

Most respondents could not cite an issue with their last service.

Those who used a Dealership however were more likely to cite an issue (49%).

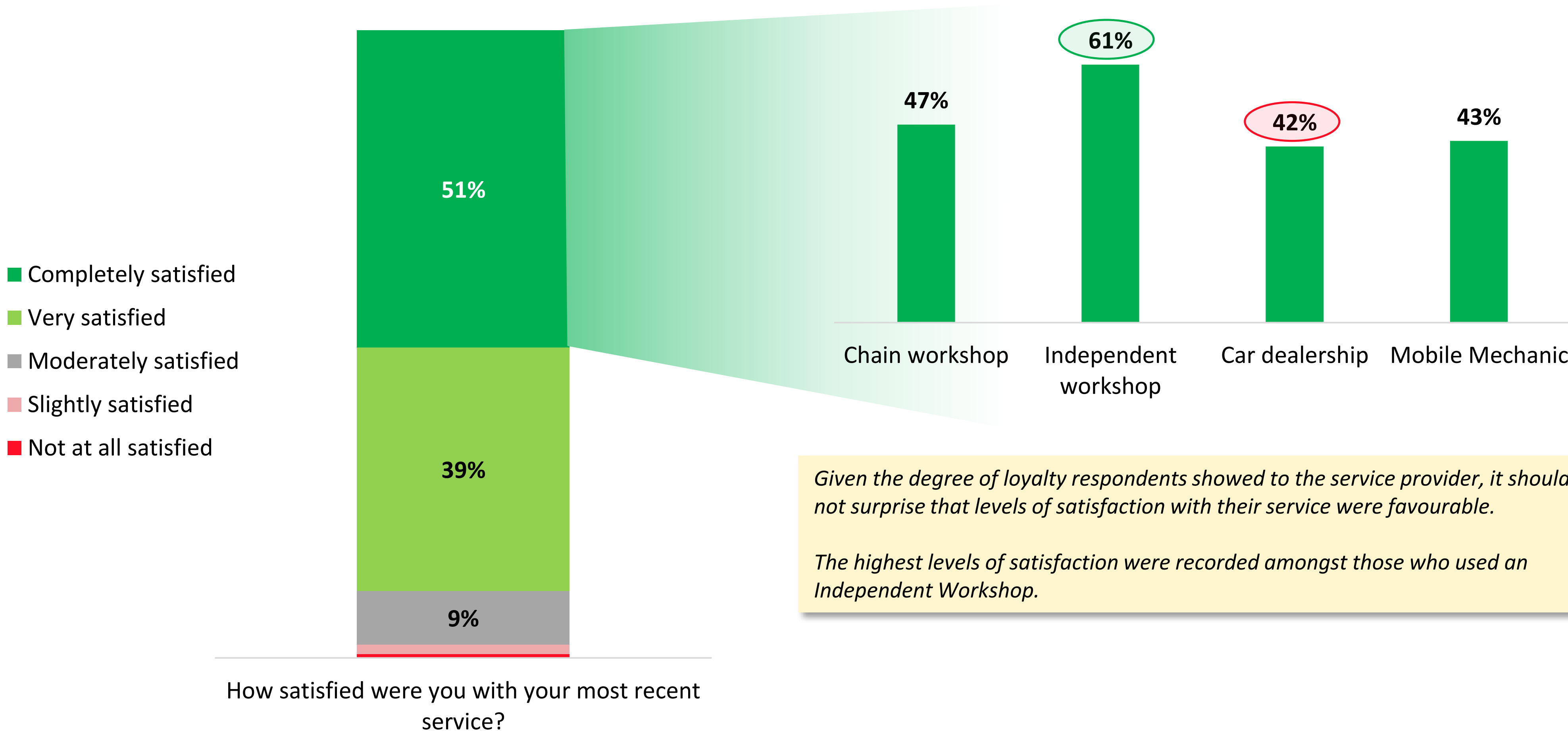
1 in 6 cited issues with cost, or perceptions of being ripped off.



*Base: **DIFM** n=1,346; Q47. What's the #1 thing you disliked about the last time you had your car serviced? Other things? (OPEN)*

Satisfaction with Most Recent Service

Overall Satisfaction



Given the degree of loyalty respondents showed to the service provider, it should not surprise that levels of satisfaction with their service were favourable.

The highest levels of satisfaction were recorded amongst those who used an Independent Workshop.

*Base: **DIFM** n=1,346; Q52 - How satisfied or not were you with your most recent service?*

Satisfaction with Most Recent Service

Satisfaction With Aspects of Service

% Rated Excellent	Service Provider Used			
	Chain workshop	Independent workshop	Car dealership	Mobile Mechanic*
The cost	35%	42%	24%	34%
The expertise of the technician	51%	66%	43%	60%
All elements of the service completed first time	52%	63%	49%	60%
The service done within expected timeframe	53%	65%	54%	51%
The cleanliness of the car after the service	39%	49%	50%	45%
How clearly they explained the work they did on your car	54%	64%	47%	48%
How quickly you could book the service	51%	58%	46%	43%
The quality of replacement parts or consumables used	46%	53%	42%	45%
Convenient location	56%	58%	33%	54%
Open at convenient times	48%	49%	40%	41%
The business being neat and tidy	40%	44%	53%	42%
Access to alternative transport	32%	29%	29%	42%
Value for money	42%	49%	25%	43%
Seeking authorization before doing additional work	58%	63%	50%	51%
Treated with respect	56%	69%	47%	62%
Open and honest	52%	66%	38%	62%
Eager to help	40%	55%	31%	48%
Flexible	40%	49%	30%	50%
n=	*117*	*318*	*313*	*28*

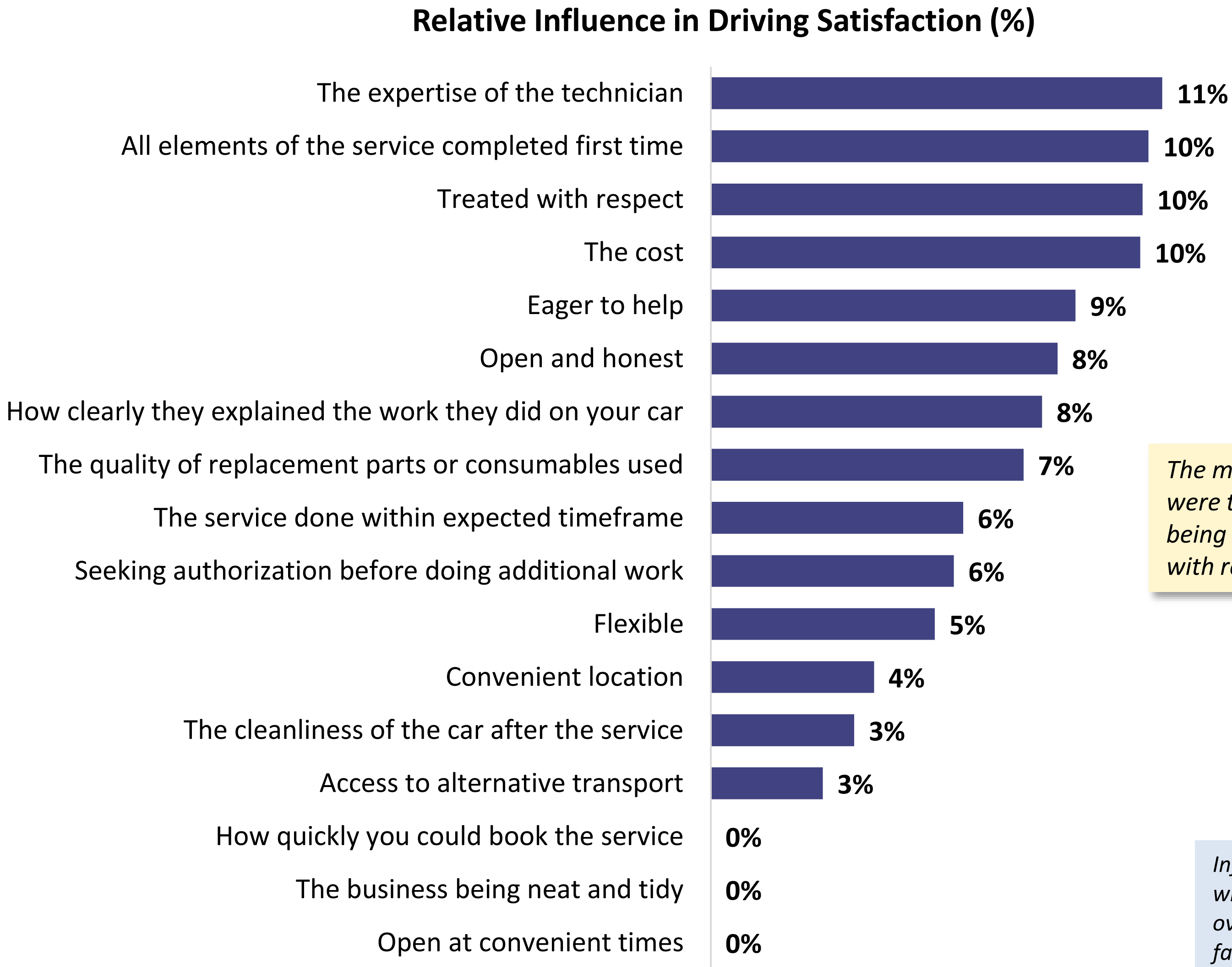
Higher overall satisfaction shown by Independent Workshop users was consistent across individual measures, with the exception of the cleanliness of the car, the business being neat and tidy and access to alternative transport.

** Small Sample*

*Base: **DIFM** n=as above; Q53. Thinking of your last service, how would you rate the workshop on the following…; S5. At what type of workshop did you last get your car serviced?*

Satisfaction with Most Recent Service

Drivers of Satisfaction



The most influential determinants of satisfaction were the expertise of the technician, the service being completed first time, that they are treated with respect and the cost.

Influence is determined via regression modeling, where we examine the impact of performance on the overall score. Relative influence is presented, as all factors are of importance.

Base: ***Total*** *n=1,499; Q52. How satisfied or not were you with your most recent service?*

Satisfaction with Most Recent Service

Drivers of Satisfaction by Service Provider Used

% Relative Importance	Service Provider Used		
	Chain workshop	Independent workshop	Car dealership
The expertise of the technician	8%	15%	8%
All elements of the service completed first time	7%	10%	12%
Treated with respect	0%	14%	11%
The cost	17%	13%	8%
Eager to help	0%	10%	9%
Open and honest	0%	0%	13%
How clearly they explained the work they did on your car	9%	9%	9%
The quality of replacement parts or consumables used	12%	10%	6%
The service done within expected timeframe	0%	6%	8%
Seeking authorization before doing additional work	8%	0%	6%
Flexible	16%	6%	0%
Convenient location	4%	1%	6%
The cleanliness of the car after the service	0%	5%	0%
Access to alternative transport	7%	0%	4%
How quickly you could book the service	6%	0%	0%
The business being neat and tidy	7%	0%	0%
Open at convenient times	0%	0%	0%
The expertise of the technician	8%	15%	8%
n=	*117*	*318*	*313*

Those who had their vehicle serviced at a Independent Workshop placed greater emphasis on the cleanliness of the car and less emphasis on the workshop being open and honest. Is this a function of what is expected at these channels?

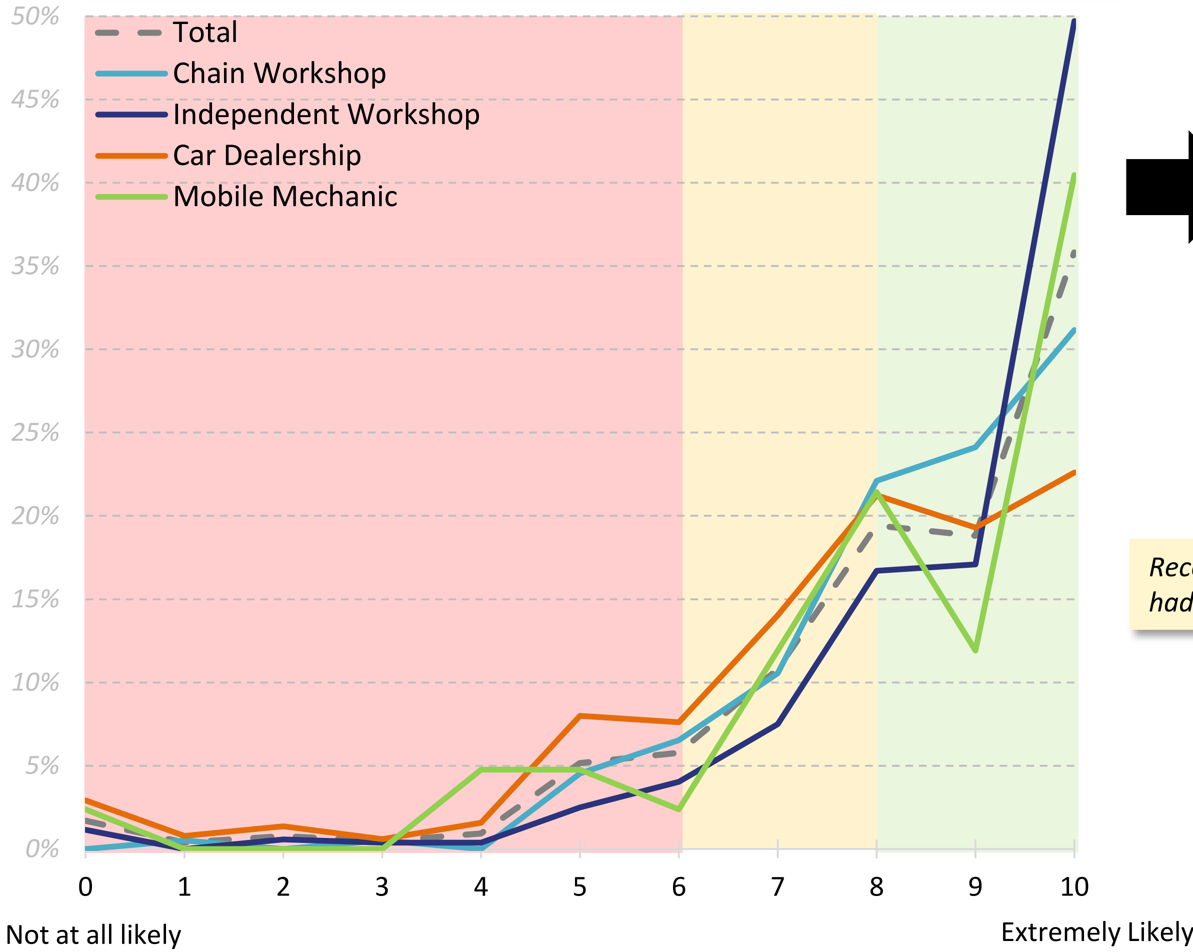
Influence is determined via regression modeling, where we examine the impact of performance on the overall score. Relative influence is presented, as all factors are of importance.

*Base: **Total** n=1,499; Q52. How satisfied or not were you with your most recent service? #*

Satisfaction with Most Recent Service

Likelihood to Recommend – Net Promoter Score (NPS)

Reflective of their loyalty and high levels of satisfaction, respondents were predisposed to recommending the workshop they last used.

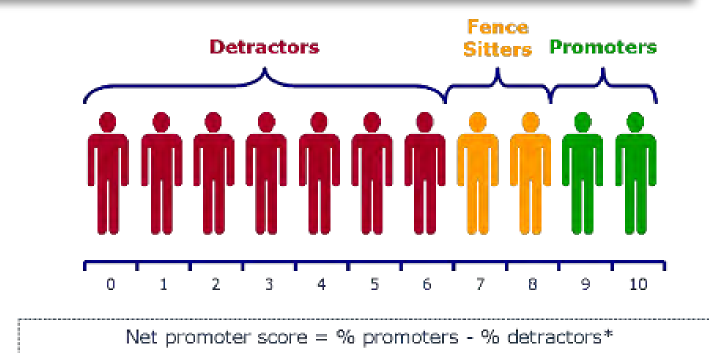


Net Promoter Score

+45	**Total**
+50	**Chain Workshop**
+62	**Independent Workshop**
+27	**Car Dealership**
+40*	**Mobile Mechanic**

** Small Sample*

Recommendation was significantly higher amongst those who had their car service at an Independent Workshop.



*Base: **DIFM** n=1,346; Q54. How likely would you be to recommend this workshop to a friend or family member who are looking to get their car serviced? Assuming that the workshop is relevant to their car.*

Perceptions of Service Providers

Perceptions of Service Providers

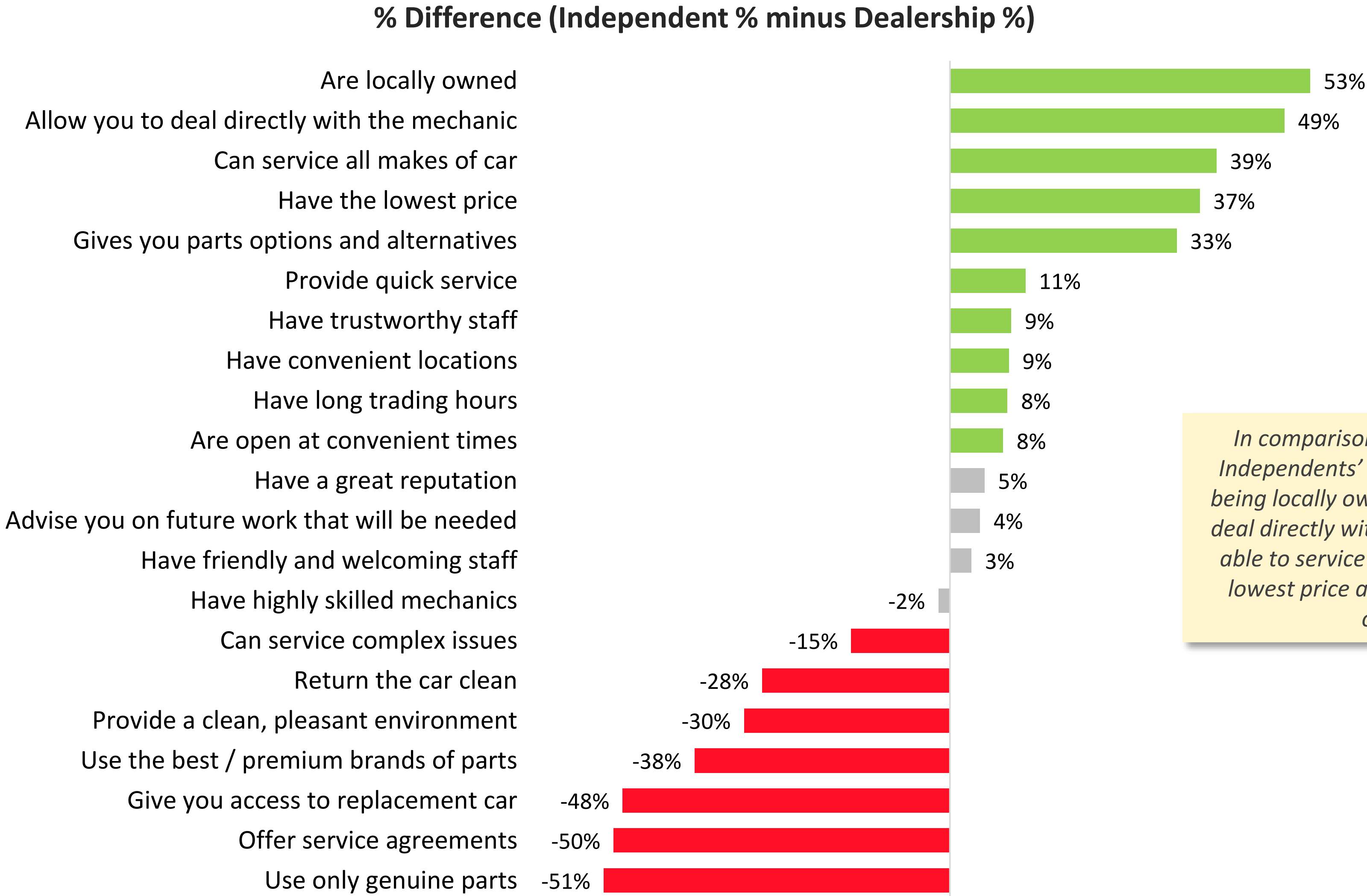
%	Chain workshop	Independent workshop	Car dealership	Mobile Mechanic*
Have the lowest price	29%	47%	11%	12%
Offer service agreements	19%	16%	65%	9%
Have a great reputation	27%	50%	45%	17%
Have trustworthy staff	33%	60%	51%	28%
Have friendly and welcoming staff	42%	62%	59%	32%
Are locally owned	14%	78%	25%	30%
Have highly skilled mechanics	42%	65%	67%	36%
Allow you to deal directly with the mechanic	18%	68%	19%	42%
Use only genuine parts	19%	25%	76%	12%
Use the best / premium brands of parts	25%	35%	73%	15%
Gives you parts options and alternatives	35%	65%	31%	27%
Can service all makes of car	56%	72%	33%	47%
Can service complex issues	32%	55%	70%	17%
Have convenient locations	45%	54%	46%	39%
Are open at convenient times	47%	60%	52%	43%
Provide quick service	36%	51%	39%	36%
Have long trading hours	28%	38%	29%	28%
Provide a clean, pleasant environment	42%	43%	73%	17%
Give you access to replacement car	10%	16%	64%	3%
Advise you on future work that will be needed	39%	65%	61%	32%
Return the car clean	29%	39%	67%	15%

There were clear differences in how the different forms of workshop are perceived. Independent workshops have some clear advantages over the dealerships.

*Base: **Had Service in L12M** n=1,499; Q55 - Which of these types of workshops do you think…?;*

Perceptions of Service Providers

Independent Workshops Relative to Dealerships



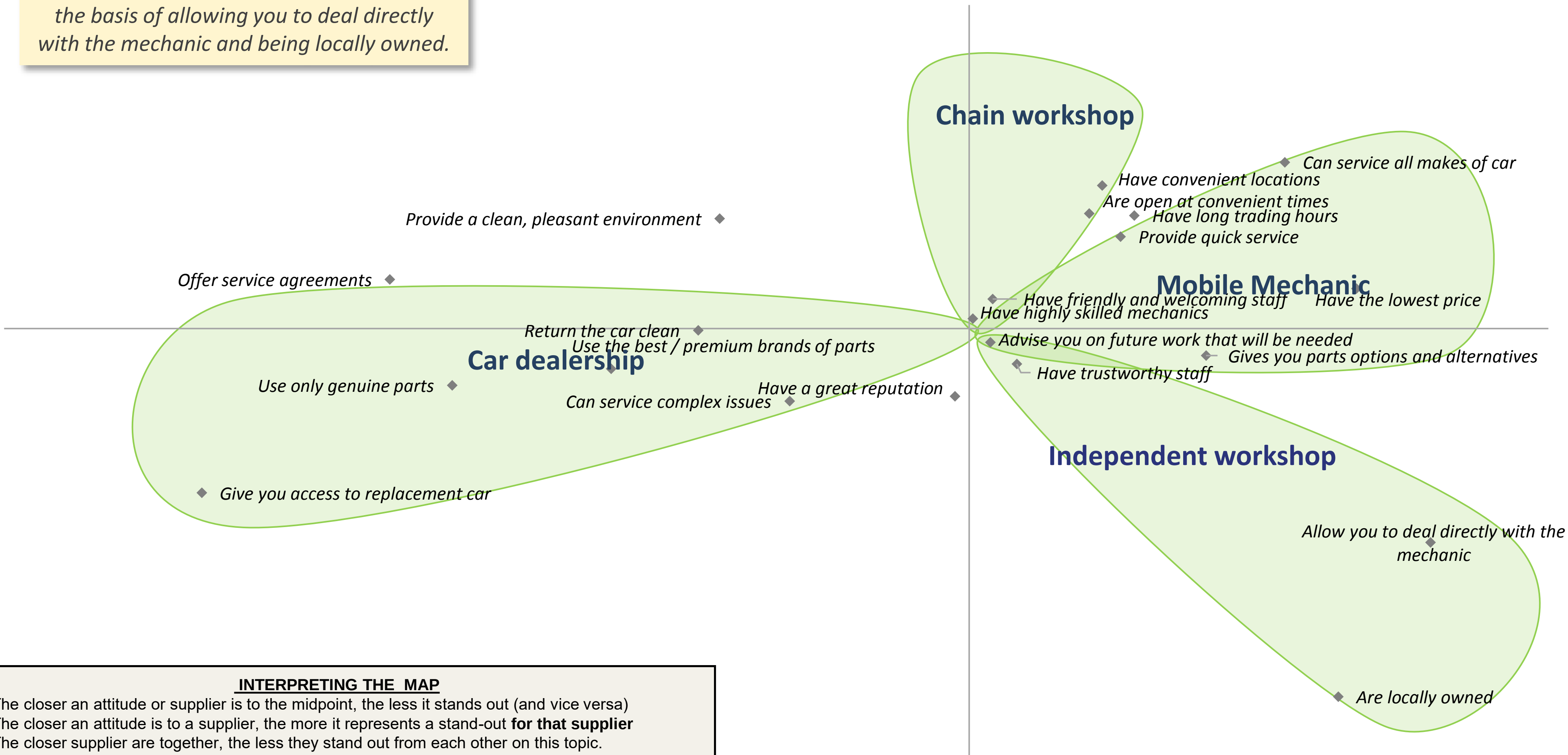
In comparison to the Dealerships, Independents' greatest 'wins' are on being locally owned, allowing them to deal directly with the mechanic, being able to service all makes, having the lowest price and giving them parts options.

*Base: **Had Service in L12M** n=1,499; Q55 - Which of these types of workshops do you think…?*

Perceptions of Service Providers

Correspondence Analysis

Independent Workshops are distinctive on the basis of allowing you to deal directly with the mechanic and being locally owned.



INTERPRETING THE MAP

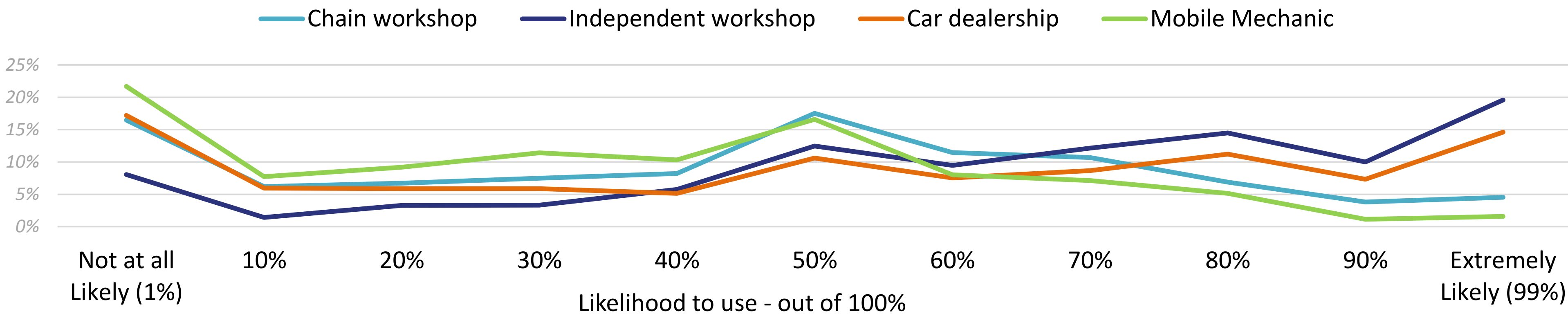
1. The closer an attitude or supplier is to the midpoint, the less it stands out (and vice versa)
2. The closer an attitude is to a supplier, the more it represents a stand-out **for that supplier**
3. The closer supplier are together, the less they stand out from each other on this topic.
4. Attitudes which are opposite to a supplier apply in a negative sense.
5. The clover leaf shows a supplier's primary stand-out area.

*Base: **Had Service in L12M** n=1,499; Q55 - Which of these types of workshops do you think…?;*

Perceptions of Service Providers

Likelihood to Use in the Future

Independent Workshops achieved the highest propensity to use in the future.



Likelihood to Use in Future by Service Provider Used

% Likely to Use (JUSTER)	Service Provider Used: Chain workshop	Independent workshop	Car dealership	Mobile Mechanic	I did it myself	Total
Chain Workshop	77%	35%	40%	52%	37%	44%
Independent Workshop	57%	86%	48%	68%	54%	65%
Car Dealership	40%	32%	83%	44%	30%	52%
Mobile Mechanic	39%	34%	33%	71%	33%	35%
Column n=	*199*	*521*	*513*	*42*	*92*	*1,390*

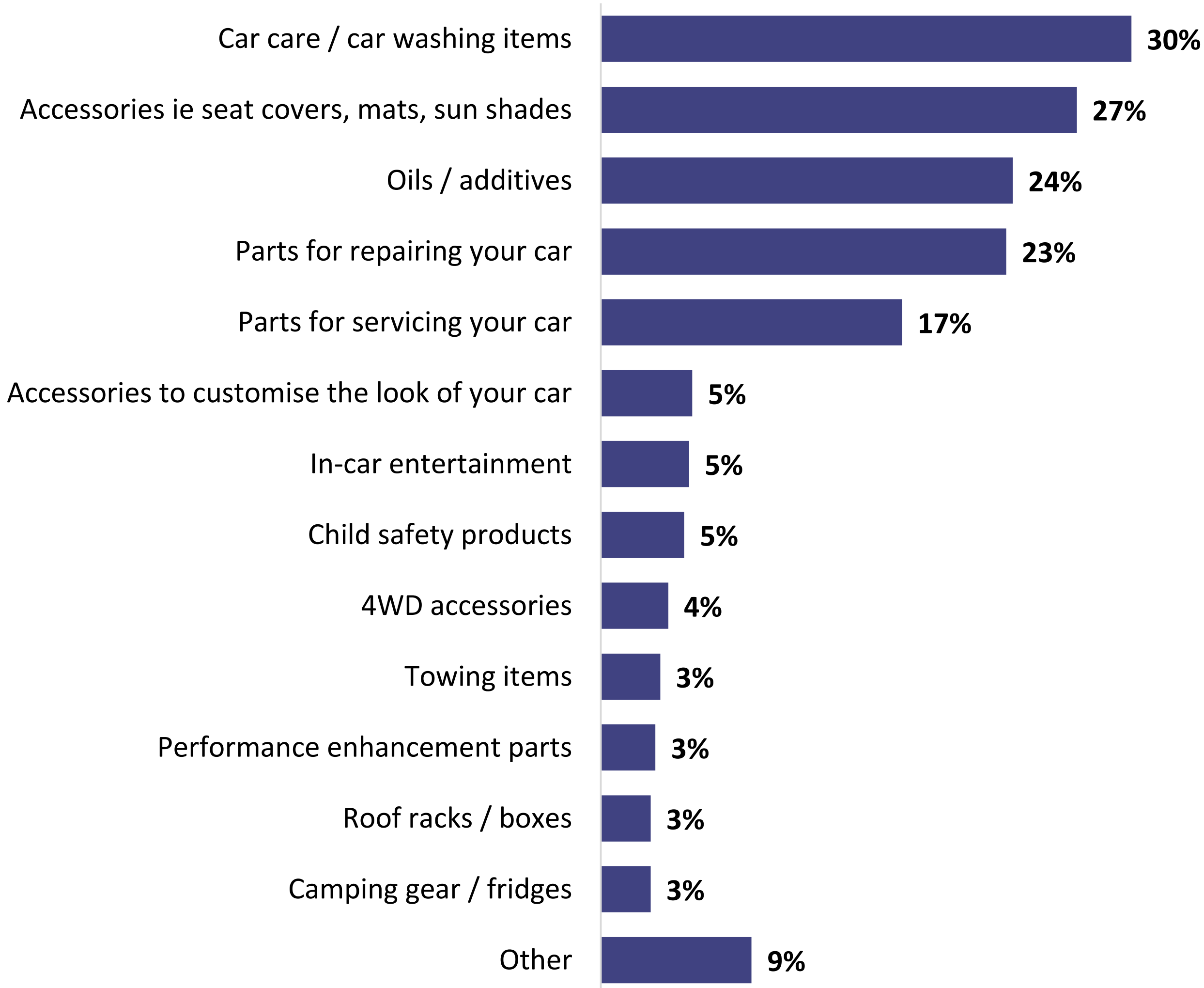
*Base: **Had Service in L12M** n=1,499; Q58. How likely would you be to use the following service providers in the future for your current car? ; S5 - At what type of workshop did you last get your car serviced?*

Purchase Behaviour

Car Parts, Accessories or Car Care Products

Products Purchased in Last 12 Months

Car Parts, Accessories or Car Care Products



*Base: **Bought Accessory in P12M** n=1,131; Q59 - What type of car part, accessory or car care product was it?*

Driver of Last Purchase

Car Parts, Accessories or Car Care Products

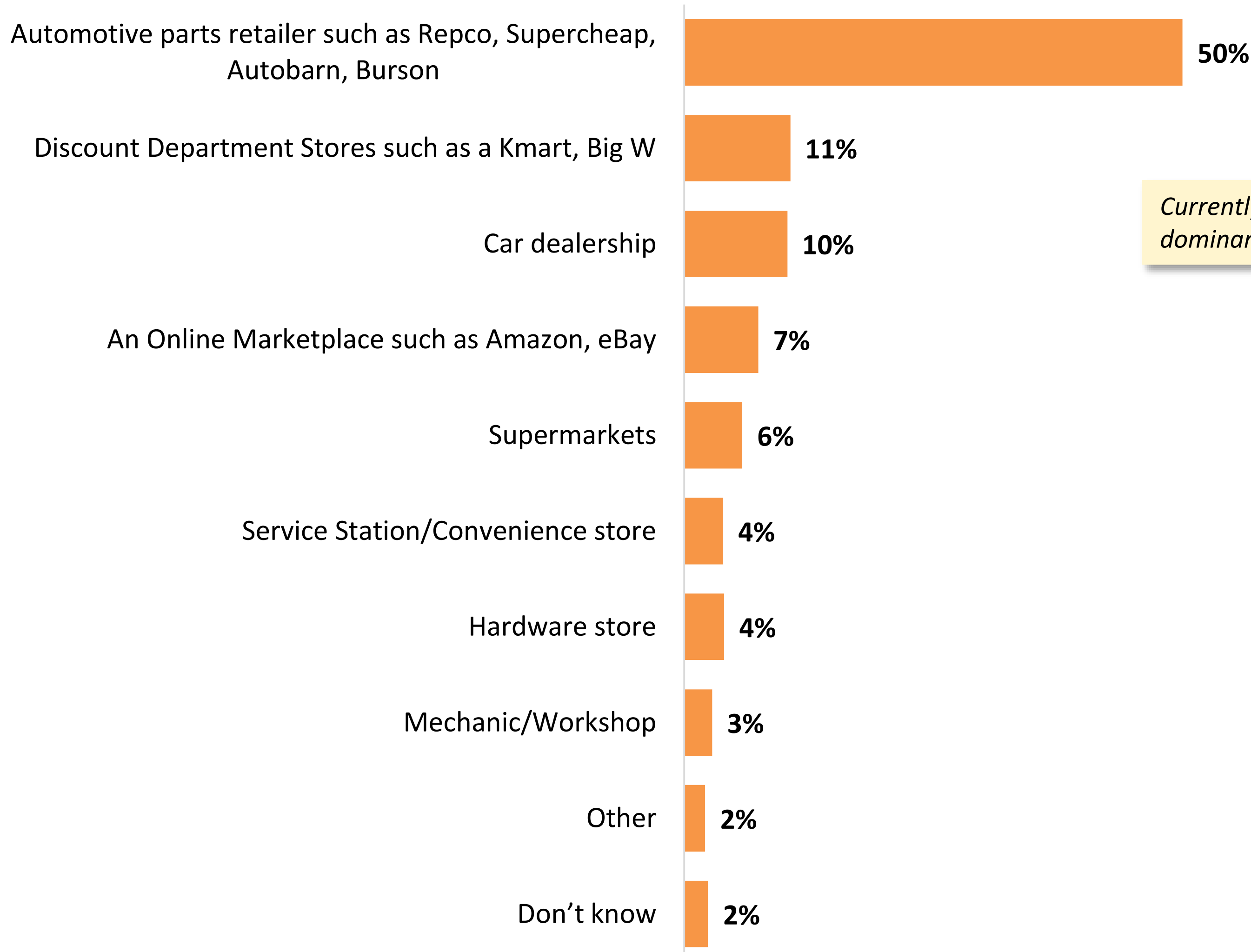
Driver of purchase differs significantly by type of product purchased.

	Total	Product Purchased												
		Car care / car washing items	Accessories	Parts for repairing your car	Oils / additives	Parts for servicing your car	Accessories to customise the look of your car	Child safety products	In-car entertainment	4WD accessories	Towing items	Performance enhancement parts	Roof racks / boxes	Camping gear / fridges
Replace a broken item	23%	13%	16%	57%	21%	48%	19%	13%	18%	17%	22%	35%	10%	16%
Replace a dated item	21%	19%	26%	27%	28%	33%	5%	27%	20%	19%	8%	15%	10%	16%
Enhance the look of the car	18%	39%	23%	6%	5%	5%	49%	6%	11%	19%	3%	9%	16%	10%
It was on special	16%	23%	20%	10%	25%	9%	16%	19%	15%	12%	16%	18%	19%	29%
To give it new features	13%	11%	23%	9%	7%	9%	32%	25%	45%	40%	54%	29%	35%	26%
Enhance the performance of the car	10%	7%	10%	11%	26%	16%	14%	13%	9%	17%	11%	38%	19%	3%
As a gift	4%	4%	7%	3%	6%	4%	9%	13%	7%	12%	11%	12%	19%	26%
Column n=	*1,086*	*331*	*297*	*253*	*257*	*188*	*57*	*52*	*55*	*42*	*37*	*34*	*31*	*31*

*Base: **Bought Accessory in P12M** n=as above; Q60. Why were you buying a [pipe: PipexQ60]? by Q59. What type of car part, accessory or car care product was it?*

Where Purchased

Car Parts, Accessories or Car Care Products



Currently, Automotive Parts retailers are the dominant source of Auto accessories.

*Base: **Bought Accessory in P12M** n=1,131; Q61 - Where did you purchase the [PipexQ60]? - Other (SPECIFY) - Coded*

Where Purchased

Car Parts, Accessories or Car Care Products

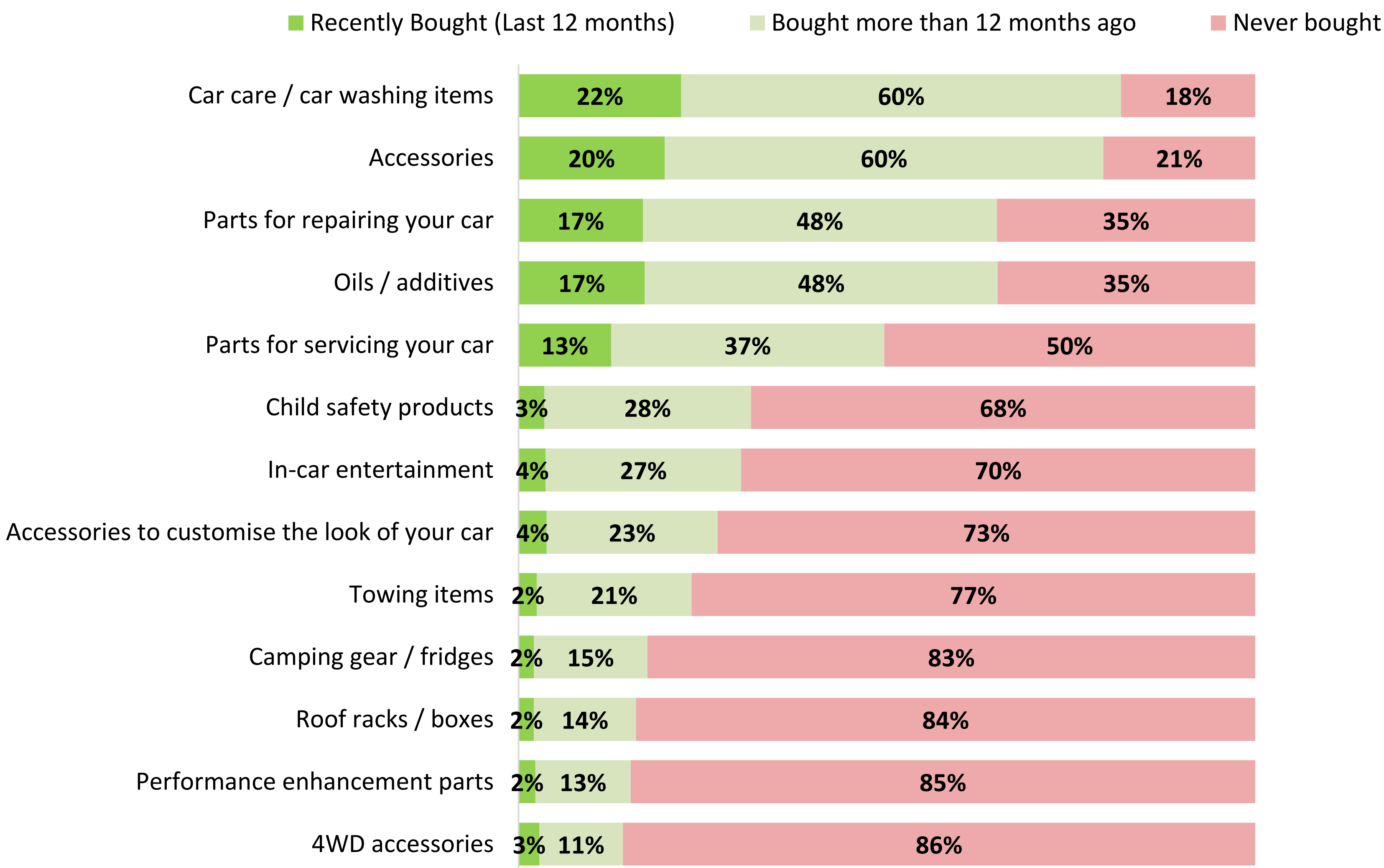
	Product Purchased												
	Car care / car washing items	Accessories	Parts for repairing your car	Oils / additives	Parts for servicing your car	Accessories to customise the look of your car	Child safety products	In-car entertainment	4WD accessories	Towing items	Performance enhancement parts	Roof racks / boxes	Camping gear / fridges
Automotive parts retailer	51%	56%	52%	63%	50%	37%	13%	35%	33%	30%	44%	39%	29%
Discount Depart. Stores	15%	15%	4%	4%	4%	7%	40%	7%	2%	3%	12%	6%	6%
Car dealership	5%	10%	10%	7%	18%	16%	8%	7%	17%	38%	15%	13%	0%
An Online Marketplace	5%	8%	10%	3%	6%	21%	8%	31%	17%	5%	12%	23%	10%
Supermarkets	11%	3%	1%	3%	2%	7%	10%	4%	10%	8%	9%	3%	13%
Service Station/Conv. store	2%	2%	4%	7%	4%	2%	10%	2%	5%	8%	6%	6%	6%
Hardware store	5%	2%	5%	4%	3%	5%	2%	7%	0%	5%	0%	10%	16%
Mechanic/Workshop	1%	1%	7%	4%	6%	0%	0%	0%	2%	3%	0%	0%	0%
Other	3%	3%	8%	5%	8%	5%	10%	7%	14%	0%	3%	0%	19%
n=	*331*	*297*	*252*	*257*	*187*	*57*	*52*	*55*	*42*	*37*	*34*	*31*	*31*

Whilst automotive parts retailers dominate, place of purchase does differ significantly by type of product bought.

*Base: **Bought Accessory in P12M** n=AS ABOVE; Q61 - Where did you purchase the [PipexQ60]? - Other (SPECIFY) – Coded; Q59 - What type of car part, accessory or car care product was it*

Ever Purchased

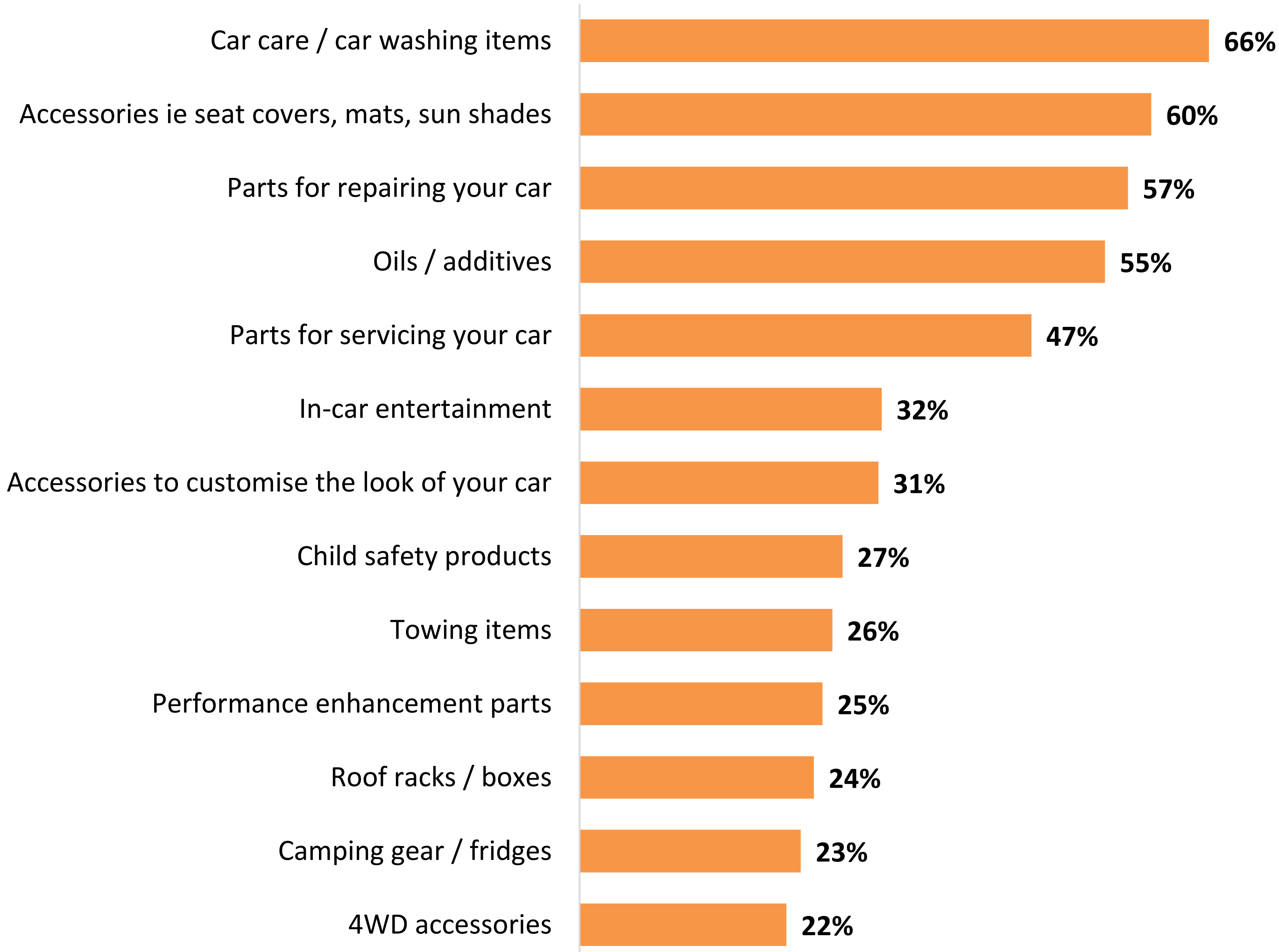
Car Parts, Accessories or Car Care Products



*Base: **Total** n=1,499; Q59 - What type of car part, accessory or car care product was it? Q63 - Have you ever bought the following types of car part, accessory or car care product?*

Likelihood To Purchase

Car Parts, Accessories or Car Care Products



*Base: **Total** n=1,499; Q62. How likely would you be to purchase each of the following car parts, accessories or car care products for your current car?*

Key Out-takes

Key Out-takes

The Independent Workshops

- There is very little evidence to suggest Independent Workshops are doing much wrong.

- They over-index with female customers who are a significant proportion of vehicle servicing, and there is opportunity to slightly tailor their offer to meet the needs of females.

- They lead on the key drivers of workshop choice – people aspects.
  - They – specifically the owner and the person who works on their vehicle – are closer to the customer and customers like that.
  - Independent workshops are more trusted and trustworthy.
  - Independent workshops do a better job of explaining future work.

- They generate greater satisfaction than Dealerships in servicing, and this results in customers being more likely to recommend them. Given the strength of recommendation, consideration should be given to a referral program.

- They have high share particularly amongst older cars.

Key Out-takes

Opportunities

- For workshops to be more proactive in;
  - Notifying customers of the need for an upcoming service.
  - Flagging future work required on the car.

- ‘Invest’ in the mechanics.
  - Workshops need to promote the skills and training of the mechanics.
  - Given the emphasis placed on the mechanic and the trust placed in them, there is opportunity to build direct and strong relationships with customers.

- There is currently a pre-disposition towards Dealerships amongst people with new cars. A customer with an old car might buy a new one, so make sure they know you can service it as they appear to value the existing relationship.

- The ‘Price Lever’ is not one you need to pull hard.

Key Out-takes

Opportunities

- A lot of consumers don't understand the facts, and there is opportunity to make them aware that…
  - A non-dealer workshop will service to manufacturer specifications as well as anybody.
  - A dealer stamp in the logbook is of no material benefit to resale value.
  - A warranty will not be voided through a non-dealer service.
  - The consumer has a genuine choice of parts.

- Service agreements appear to be a significant and growing threat to the independent channel. Think about the opportunity that could be created through collectively creating an aftermarket industry service agreement equivalent.

- There is a groundswell of support for aftermarket parts and accessories, and a significant portion value being offered a choice. Workshops should focus on offering choice of parts.

Australian Automotive Aftermarket Association

National Office
Suite 16, Building 3, 195 Wellington Rd
Clayton, Victoria, Australia, 3168

+61 3 9545 3333

+61 3 9545 3355

info@aaaa.com.au

tkp | MARKET RESEARCH CONSULTANTS

THE KLEIN PARTNERSHIP

1/19 Grey Street, St Kilda
VIC 3182, Australia

T. 03 9536 8333
F. 03 9534 6417
www.tkp.com.au