

## **FOR IMMEDIATE RELEASE**

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### **2021 Cox Automotive Service Industry Study: Parts Shortages, Staffing Concerns Hold Back Dealership Service Departments**

- Cox Automotive study reveals dealership market share up to 34% with another 66% of the service market still up for grabs, translating to \$214 billion in potential revenue.
- The majority of dealerships say the service department is not fully staffed, and 80% expect labor shortages to worsen.
- 9 in 10 vehicle owners who schedule their service visit online are highly satisfied with the experience, but awareness of this and other digital features is still a barrier.

**MISSION, Kan., October 11, 2021** – Despite current headwinds and market conditions, dealership service centers remain resilient and continue to be among the most preferred service providers. According to the 2021 Cox Automotive Service Industry Study released today, 34% of consumers prefer dealership service centers, a 1 percentage point increase from 2018, and ahead of general repair shops. And while this is great news for franchise dealers, there is still a majority of the market dealerships aren't capturing - translating to \$214 billion in potential revenue.

Dealership service centers are the most preferred because of their existing relationships. In fact, 55% of consumers say it is because the dealership knows their vehicle. On the other hand, dealerships continue to combat the perception they are overpriced and expensive. The top barriers to returning to the dealership are not only cost, but also location according to consumer rankings, all of which makes way for what owners consider easier and more convenient options, like general repair shops. On top of that, nearly 1-in-4 consumers also say their dealership service visits take longer than expected, adding to their frustration.

#### **Dealerships Working Against Operational Challenges**

Exacerbated by the pandemic, service departments cite part delays from manufacturers (58%) and finding or hiring the right technicians (45%) as their top operational frustrations, and both can directly impact the consumer experience, including the notion that service departments take longer than expected. On average, dealerships cite a decline in the consumer satisfaction they deliver, with only 55% of dealers believing satisfaction has improved in the past 12 months (down from 71% when surveyed in 2018). Specific to staffing, 57% of dealership respondents say their service department is not fully staffed, and 80% expect these labor shortages to continue or worsen in the future. The majority (60%) also say the service technician is the top role they plan to grow this year, so there is a focus on investing in this area of the business.

"The industry is ripe for transforming the consumer experience," said Tracy Fred, vice president of operations for Xtime. "Despite a challenging marketplace, opportunities exist to better leverage digital tools to deliver on and even exceed consumer expectations, while also offsetting some operational challenges. Elevating the entire service experience with a consumer-first mindset and the use of technology can help raise overall profits, capture additional market share and help mitigate the frustrations service departments are currently facing."

#### **Opportunity Exists to Better Leverage Digital Solutions to Improve the Service Experience**

Dealership service centers offering digital features have a more positive outlook. Of the dealers saying the experience has improved in the past year, they more often offer services like service pick-up and delivery, ridesharing, progress tracking, online cost estimates, mobile check-in, and other digital services. Not only are they offering these conveniences, but they have the added benefit of meeting consumer demand for a more digital service experience.

Car owners particularly want the ability to schedule their appointment online, and it seems the dealer is striving to meet consumer needs there with 74% of dealers offering this option today. Of those owners scheduling online, 91% are highly

satisfied with the experience; however, a third of consumers are unsure if their service provider offers this feature, which is consistent with the 2018 Cox Automotive Service Industry Study.

Consumers also want to review and approve repair estimates online (67%) and access their vehicle service history (66%), which according to those surveyed are among the most critical digital features a service center should offer and provide an added level of transparency and convenience to the service experience.

### **Top Performers Excel Across Efficiency and Consumer Experience, Helping Boost Profits**

Top performing service departments have a consumer-first mindset and use technology to enhance the experience by offering digital tools and convenience-focused services, like rideshare and reviewing and approving repair orders online. Nearly all top-performing dealers surveyed (99%) agree that improving consumer experience is an important focus moving forward.

“Consumers continue to stress the importance of a digital experience, and dealerships must evolve and offer flexibility by enhancing online capabilities,” said Fred. “Meeting consumer demand for convenience by considering new service lines like ridesharing also can help combat location as a barrier. These same services can also be leveraged as new staffing strategies, like enabling Lyft for service pick-up and delivery to allow your existing staff to focus elsewhere.”

### **About the 2021 Cox Automotive Service Industry Study**

The 2021 Cox Automotive Service Industry Study included 2,502 consumers in the U.S. from ages 18-75 that have had at least one service visit in the past 12 months, and 529 franchise dealers with decision-making authority over fixed operations. For the complete 2021 Cox Automotive Service Industry Study, visit <https://xtime.com/content/guide/service-industry-study/>.

### **About Xtime**

Xtime is the leading end-to-end software solution that drives consumer loyalty and revenue for automotive dealers in each stage of the service process. With easy-to-use technology and industry experts, Xtime helps dealers meet changing consumer expectations. As an advanced, connected solution that provides exceptional support, Xtime is committed to helping dealers deliver the ultimate service experience. Through transparency, convenience, and trust, Xtime Spectrum — comprised of Schedule, Engage, Inspect, and Invite — facilitates more than ten million service appointments monthly. Xtime is a Cox Automotive™ brand.

### **About Cox Automotive**

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