

**FOR IMMEDIATE RELEASE**

**Cox Automotive Service Study: Dealerships Losing Ground to General Repair Shops  
as Costs and Service Visit Frequency Increase**

- Owners' trust in dealerships is waning; for the first time, dealerships are no longer the "most preferred" service provider among vehicle owners.
- Of the top five reasons for not returning to a dealership for service, four were cost related.
- Dealers understand the need to transition their fixed operations to support emerging technologies, train technicians, and add servicing infrastructure, particularly to support electric vehicles (EVs).

**ATLANTA, Dec. 5, 2023** – New research released by Cox Automotive today on the U.S. vehicle service industry shows that franchised dealerships continue to lose share to general repair shops. In the latest report – *Under the Hood: Opportunities and Challenges in the Service Industry* – franchised dealerships are shown to retain their position as the industry's top service provider but have lost ground to service chains (e.g., quick lube locations, service centers.) In 2023, dealerships accounted for 30% of all service visits in the U.S., down from 35% in 2021.

The auto care industry continues to be very important to the U.S. market, with consumer spending in the sector expected to surpass \$400 billion in consumer spending within the next two years. With the global COVID pandemic now mostly in the past, the report from Cox Automotive suggests vehicle owners are driving more and holding onto existing vehicles longer due to high prices and loan rates for new vehicles. Owners are also visiting service centers more often, according to the Cox Automotive study: In 2023, the average owner had their vehicle in for service or maintenance 2.5 times a year, up from 2.3 in 2021 (the last time the service study was released), but down from an average of 2.8 in 2018, before the pandemic.

"The service business continues to be a key part of any dealership operation," noted Vanessa Ton, senior manager of market and customer research at Cox Automotive. "And while our report lays clear some of the challenges facing service providers today, the good news is that the industry continues to grow with more customers going in for service visits, and most providers are seeing a boost in revenue for service as well."

The Cox Automotive service study research was undertaken during the second half of 2023 and surveyed 2,493 vehicle owners, including 182 EV owners, who had at least one service performed in the past twelve months, accounting for over 5,500 service visits. Additionally, employees with decision-making authority over fixed operations at 525 franchised dealers were interviewed for the research.

**Dealers are No. 1 in Service Visits but Lose Share to Competitors**

Overall, dealership service lanes account for 30% of all service visits in the U.S., down from 35% in 2021, with general repair and service stations a close second at 28%. Other locations, including tire repair stores, body shops, and specialists, account for the rest.

Importantly, when asked, 33% of owners indicated that “general repair shops” were their preferred service provider, an increase from 32% in 2021 and ahead of “dealers” for the first time. In the 2023 survey, 31% of owners indicated that “dealers” were their preferred solution, down from 35% in 2021. A key driver of this sentiment: Trust.

Trust in franchised dealer service has declined, according to the latest service study. When vehicle owners were asked why they returned to the dealership where they purchased the vehicle for service, only 54% of respondents offered “trust” as a reason, down from 62% in 2021. The study also shows that those who selected “trust” are more likely to be very satisfied with the service experience and more loyal to the dealer than those who did not select “trust.”

### **Frustrations With Service Are Mostly Driven by Costs**

With inflation still elevated in the U.S. economy, automotive care and service costs have increased notably. According to the research, there has been a 45% increase in the average price per service visit since 2021, although that amount includes warranty costs, so the higher prices are not entirely borne by the vehicle owner. Still, of the top five reasons for not returning to a dealership for service, four were cost related.

A recurring theme in the study is how cost is a major influencing factor on where service is done, and dealers believe a top reason new owners do not return for service is a fear of being overcharged. However, the Cox Automotive survey and research suggest that dealership service costs are mostly on par with non-dealer providers. The average dealership service visit in 2023 costs \$258; a visit to a non-dealer service provider costs an average of \$249. This indicates that the suggestion dealers charge more for service is mostly unfounded.

Still, 48% of vehicle owners were frustrated with at least one aspect of their recent service experience at a dealership. Frustrations include the service taking longer than expected, dealers pushing additional services, struggles to schedule an appointment, and prices for the work higher than estimated.

### **Dealers are Preparing for an Increase in Electric-Vehicle Service**

Dealerships in the U.S. are gearing up for a rise in electric vehicle service as EV sales are expected to surpass 1 million units in a year for the first time in 2023, the Cox Automotive study shows. According to the survey, 71% of dealers have added technicians with high voltage training and certifications to their EV service operations, and 67% have added infrastructure to support the servicing of EVs. Still, 54% say they need more trained staff, and 58% of dealers suggest they need more infrastructure.

More than half of the dealers surveyed indicated they expect average repair and service costs to be higher with EVs. Still, the expectation is that the number of service visits for EVs will be lower: Only 28% of dealers believe that EVs will require more service than internal combustion engine (ICE) vehicles. So far, dealers are being proven wrong, as EV owners report being in service for repair or maintenance more often than ICE owners.

### **Sticker Shock and Long Wait Times Surprise EV Owners**

In the Cox Automotive study, EV owners reported visiting service centers more often than ICE owners and having more services performed with each visit. In the past year, the average EV owner



visited a service center 2.6 times compared to the average ICE owner visit count of 2.3 times. The number of services performed per visit, 2.8 for EVs, was higher than the 2.4 for ICE as well. Importantly, EV owners spent more time waiting for both maintenance (34 minutes longer) and repair work (51 minutes longer) compared to ICE owners.

EV owners report fewer service visits that result in an out-of-pocket (OOP) expense, but the OOP costs for EVs are higher. For example, 65% of owners of EVs 4-years-or-older reported OOP service expenses, whereas 87% of ICE owners driving 4-years-or-older vehicles reported OOP expenses. However, EV owners typically paid more than \$300 in OOP expenses per service visit. ICE owners' expenses were closer to \$250.

With newer vehicles, the occurrence of OOP expenses is nearly identical between EV and ICE (47% vs 49%), but EV owners paid more than twice as much, at \$443 per occurrence. One reason for this difference, the study shows, is that EV owners are often more affluent, more focused on the latest technology and more likely to have aftermarket accessories added as part of a service visit, particularly on newer products.

Overall, EV owners report more frustrations with service work than ICE owners. A top frustration with EV owners is finding out how much service costs.

“There is a general expectation that EVs don’t require service or have minimal service needs, but that is not the case,” added Kayla Reynolds, manager of market and customer research at Cox Automotive. “EVs are new technology and, at this point at least, are in for service more often for warranty work and updates. EVs also tend to require more tire rotation and replacement, as EVs are heavier and harder on their tires.”

In the service study, 39% of ICE owners suggested they had at least one frustration with their recent service experience, compared to 56% of EVs. Tesla owners were particularly frustrated, with 59% reporting at least one frustration, whereas 50% of non-Tesla EV owners noted a frustration. Tesla owners noted frustrations with service work that took longer than expected, a lack of amenities in the waiting room during service and struggles with scheduling appointments.

“Overall, our latest look at the service industry suggests that providers have an opportunity to focus on price transparency and grow trust with their customers,” added Ton. “When it comes to vehicle ownership, repairs and maintenance are important but can present challenges. To overcome these challenges, car dealerships should focus on expanding their service capacity by ensuring they have an adequate number of service bays and well-trained technicians, especially as the demand for electric vehicle services continues to rise.”

To learn more, [download a summary](#) of *Under the Hood: Opportunities and Challenges in the Service Industry*, or contact the Cox Automotive Corporate Communications team.

### **About Cox Automotive**

Cox Automotive is the world’s largest automotive services and technology provider. Fueled by the largest breadth of first-party data fed by 2.3 billion online interactions a year, Cox Automotive tailors leading solutions for car shoppers, automakers, dealers, retailers, lenders and fleet owners. The company has 25,000-plus employees on five continents and a family of trusted brands that includes



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