2023 India Dealer Satisfaction Study

Key Insights

Sept 2023

Background

- 3rd edition of the Annual Dealer Satisfaction Survey with a steady response of 2000 odd Dealers – showing the confidence of participants wanting to improve relations with OEMs
- Total 2,016 valid sample; After cleaning duplicates a total sample **1,821 Dealer Principals which represent around 3,500 outlets across various OEMs and Regions**
- Breakup of sample by segment …
  - 4W Mass Market: 505
  - 4W Luxury: 18
  - 2W: 1032
  - 3W: 15
  - CV: 251

Segment	North	East	West	South	Total
4W - Mass	150	95	155	105	**505**
4W - Luxury	1	3	10	4	**18**
2W	192	298	306	236	**1,032**
3W	4	6	2	3	**15**
CV	55	69	61	66	**251**
Total	**400**	**471**	**534**	**411**	**1,821**

Analysis Process

- Data checked for response validity & completeness
- 6 factors and 70 attributes analyzed to index the data
  - Regression analysis methodology used to ascertain importance of all factors & related attributes
  - Using the combination of derived importance & satisfaction ratings provided by dealers, data is indexed to a maximum of 1000 points scale
    - Higher the score, more is the satisfaction

FACTOR & INDEX SCORES

Award Winners

4W PV (Mass)

#1 Ranked OEM

Hyundai Motors

2W

#1 Ranked OEM

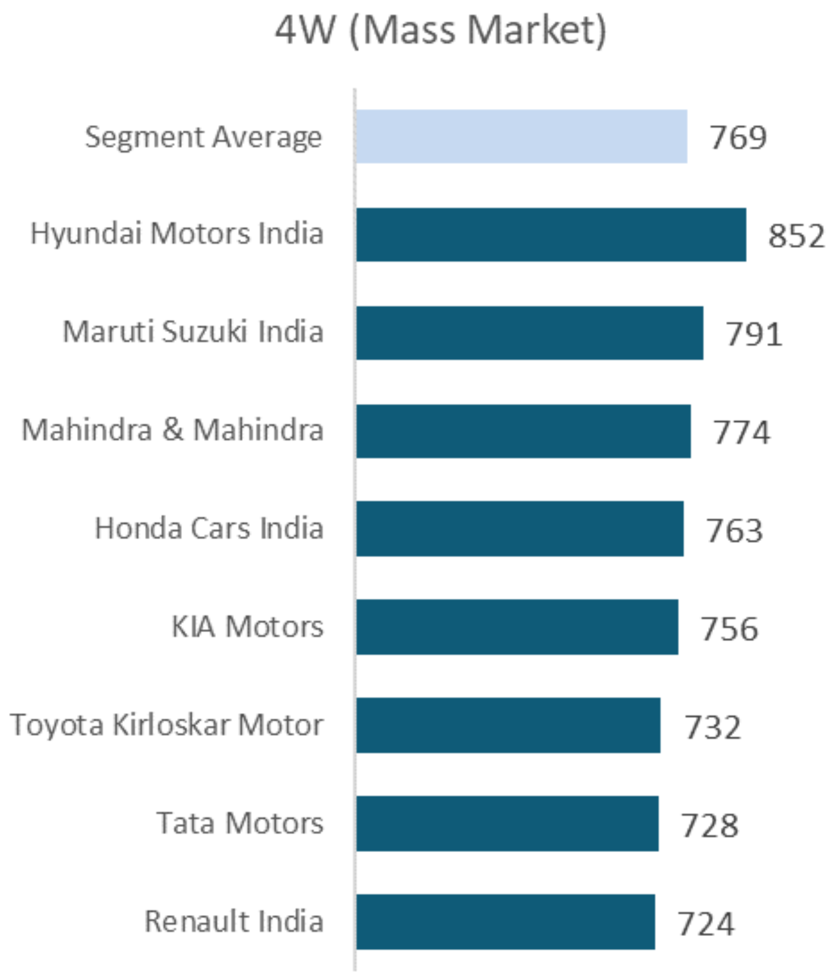
HMSI

CV

#1 Ranked OEM

VECV-Eicher

Segment Ranking: 4W (Mass) Overall Dealer Satisfaction Index

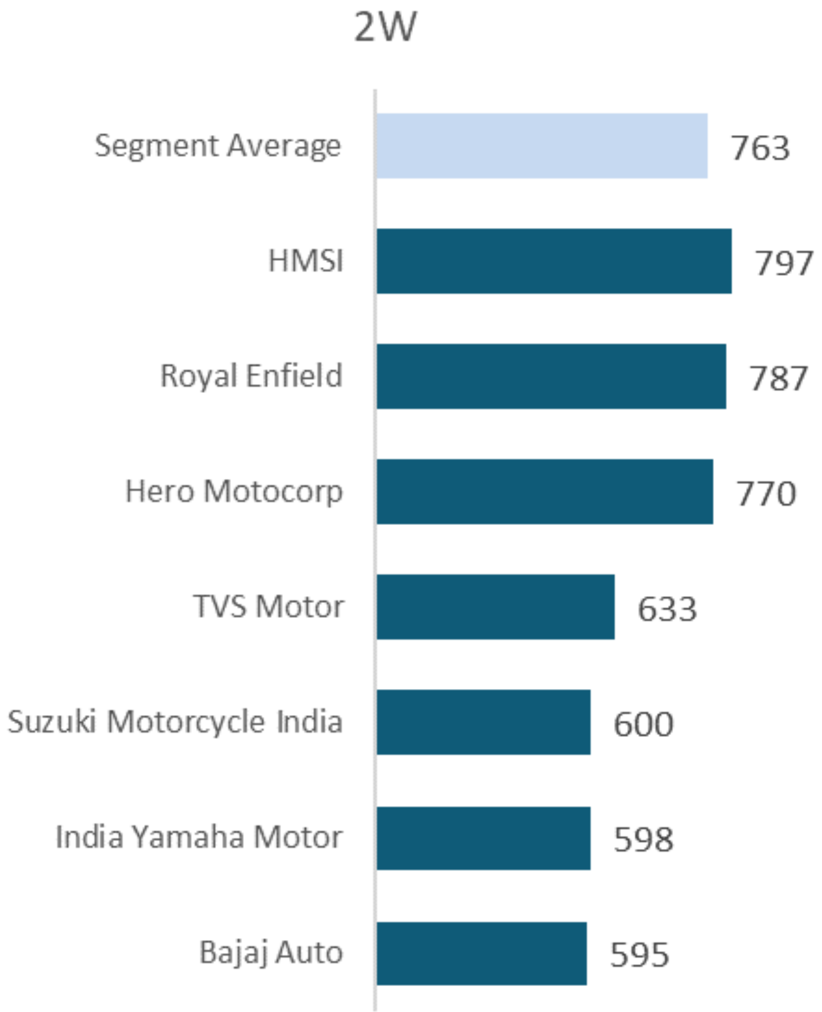


DSS - 2022	
Score	**Change**
773	**-4**
830	+22
725	+66
785	-11
610	+153
871	-115
755	-23
742	-14
771	-47

Rank	
2023	**2022**
1	2 ↑
2	8 ↑
3	4 ↑
4	9 ↑
5	1 ↓
6	6
7	7
8	5 ↓

Hyundai Dealers are the happiest, with Maruti-Suzuki and Mahindra being new entrants to the top 3 list.
Honda Cars India is the most improved OEM across industry.

Segment Ranking: (2W) Overall Dealer Satisfaction Index

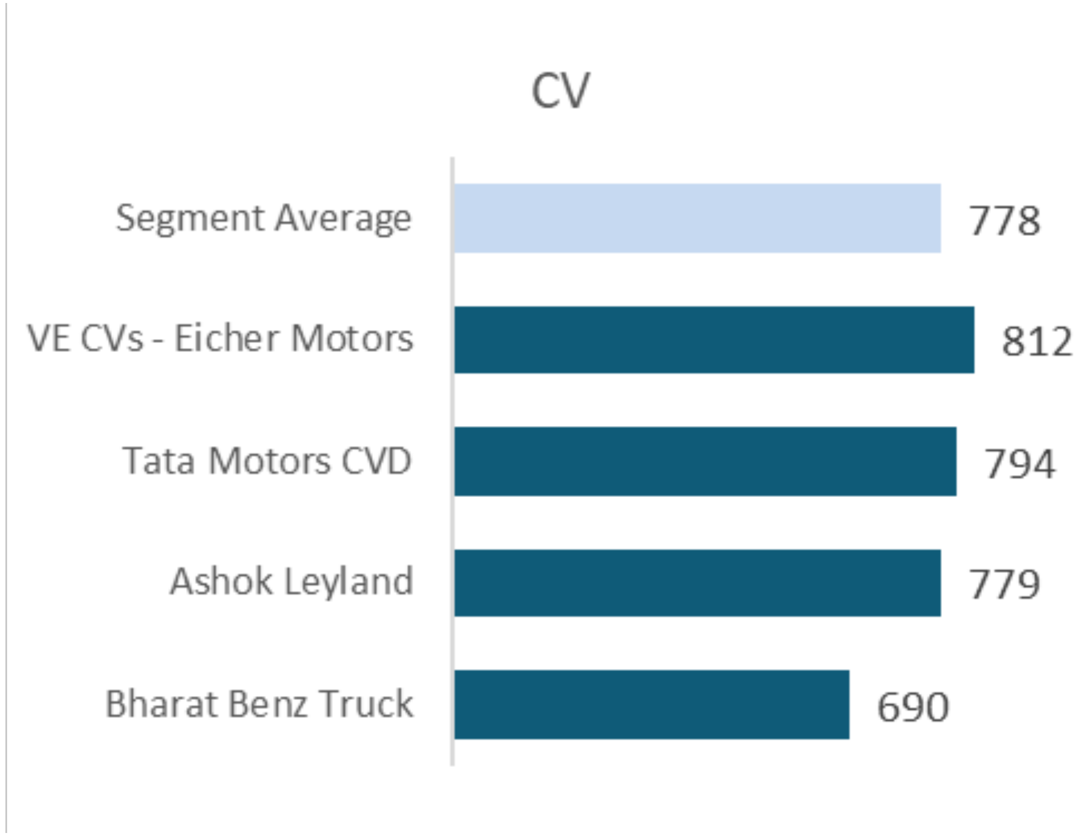


DSS - 2022	
Score	**Change**
679	**+84**
736	+61
691	+96
693	+77
620	+13
538	+62
628	-30
606	-11

Rank	
2023	**2022**
1	1
2	↑ 3
3	↓ 2
4	↑ 5
5	↑ 7
6	↓ 4
7	↓ 6

Overall 2W industry dealers are a happier lot, with all the top 5 OEMs showing an improvement in score over last year.

Segment Ranking: CV Overall Dealer Satisfaction Index

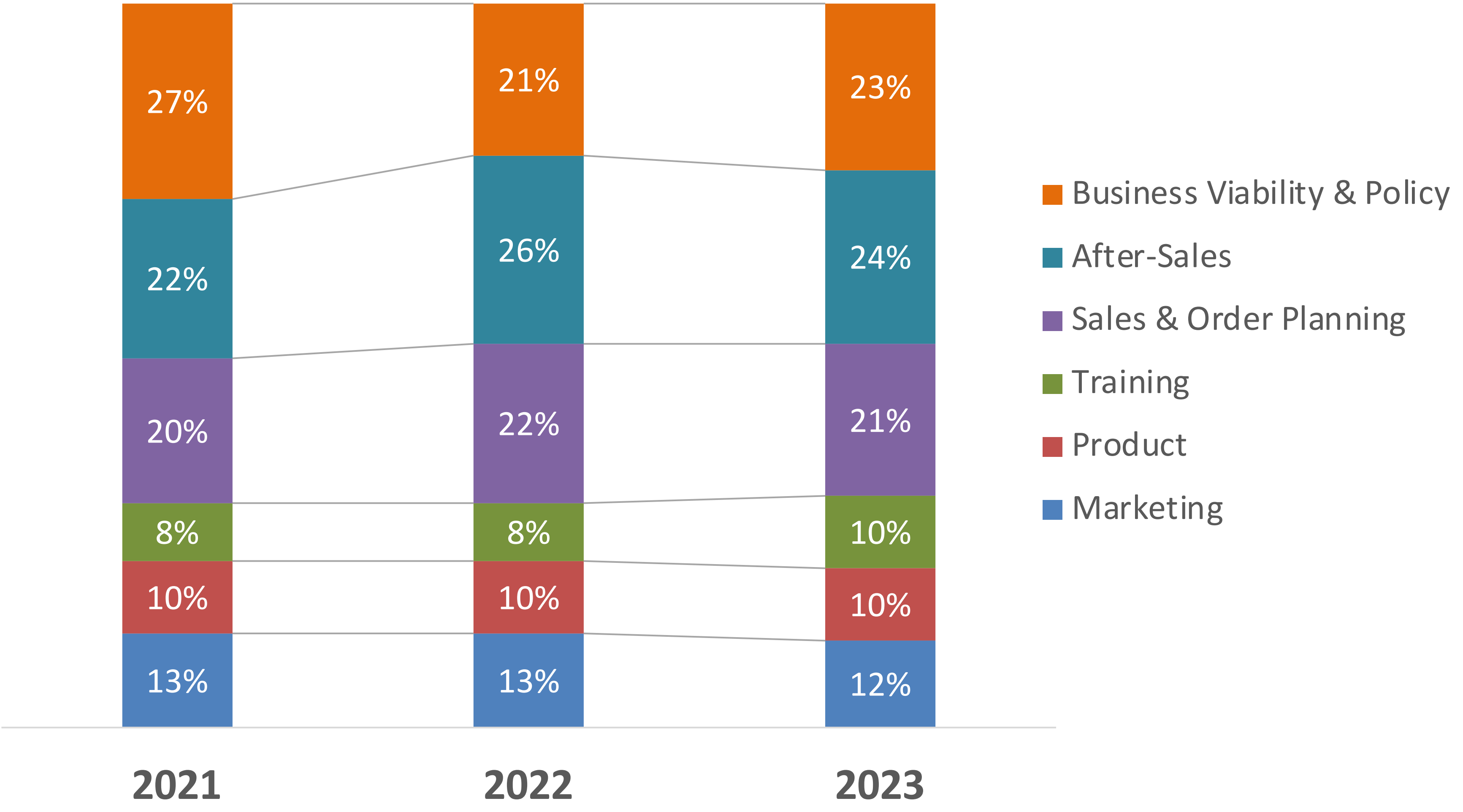


DSS - 2022	
Score	**Change**
733	+45
837	-25
726	+68
712	+67
629	+62

Rank	
2023	**2022**
1	1
2	2
3	3
4 ⬆	5

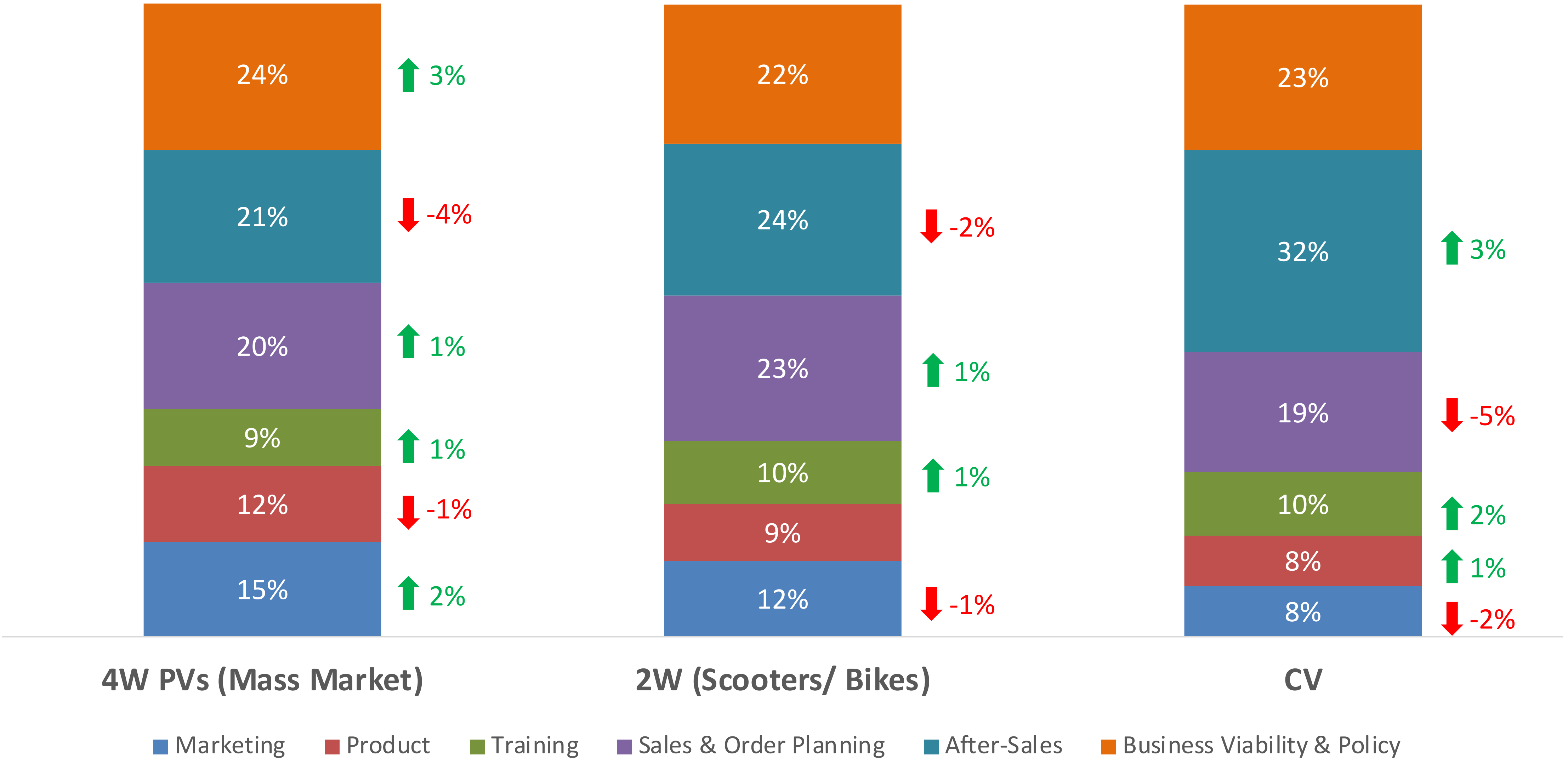
VECV dealers though not as happy as last year, are still leading the table, closely followed by Tata and AL – the most improved over last year

Factor Importance: Overall Industry

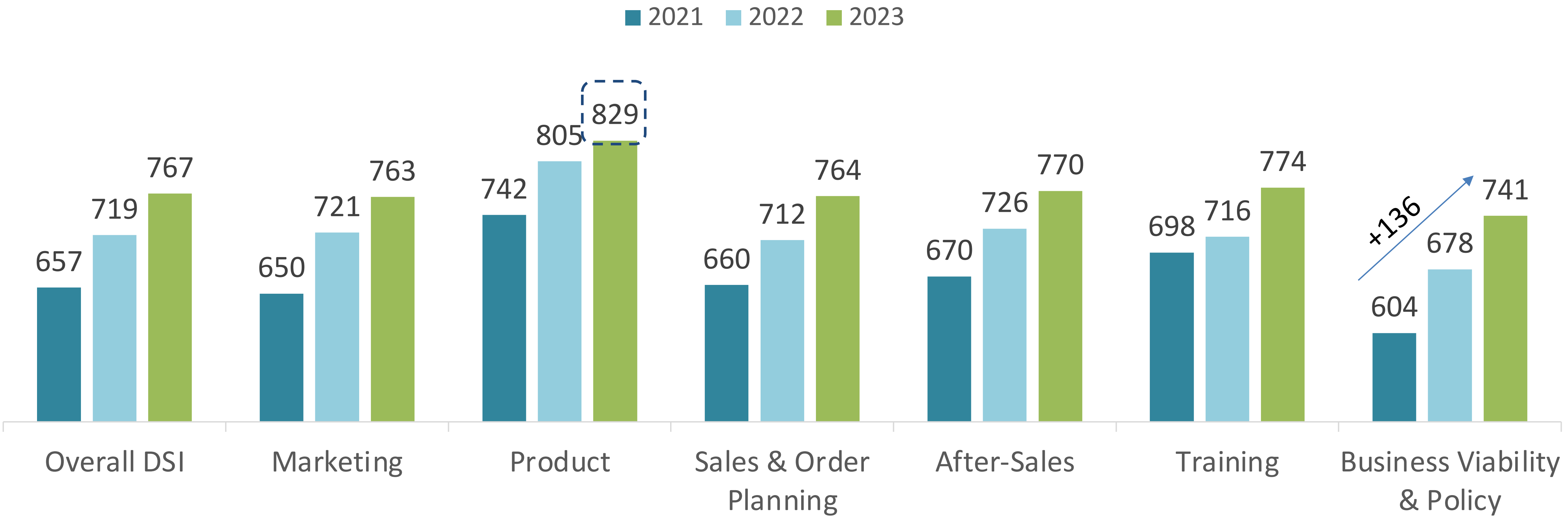


Business viability & Policy gains in importance with After Sales still being the nost important factor followed by Sales.

Factor Importance: Segment Wise



Factor Scores Overall Industry



Business viability & Policy remains most important factor, this is also the most improved over the past 2 years; followed by after sales and sales and order planning

Top Strengths & Weaknesses – Industry

Top- 5 Strengths		
SN	**Factor**	**Attributes**
1	Product Support	Product reliability and dependability
2	Training Support	Effectiveness of training programs organised for customer facing service teams
3	Product Support	Product range to offer to customers
4	Sales Support	Responsiveness of OEM Sales team
5	Warranty Policy Support	Extended warranty policy

Top- 5 Weaknesses		
SN	**Factor**	**Attributes**
1	Parts Business Support	OEM’s buyback/ write-off policy of unsold/ deadstock inventory
2	Business Viability Support	Concern on ensuring viability
3	Business Viability Support	OEM's openess to inputs in decision making
4	Training Support	Training cost sharing arrangement of the OEM
5	Management Policy Support	Involvement in OEM's policy making

Top Strengths & Weaknesses – 4W (Mass)

Top-5 Strengths		
SN	**Factor**	**Attributes**
1	Product Support	Product reliability and dependability
2	Sales Support	Responsiveness of OEM Sales team
3	Warranty Policy Support	Extended warranty policy
4	Training Support	Effectiveness of training programs organized for sales teams
5	Training Support	Effectiveness of training programs organized for customer facing service teams

Top-5 Weaknesses		
SN	**Factor**	**Attributes**
1	Parts Business Support	OEM's buyback/ write-off policy of unsold/ deadstock inventory
2	Management Policy Support	Involvement in OEM's policy making
3	Business Viability Support	Concern on ensuring viability
4	Management Policy Support	Understanding the total dealer cost structure
5	Management Policy Support	Overall profitability of dealership

Top Strengths & Weaknesses – 2W

Top-5 Strengths

SN	Factor	Attributes
1	Product Support	Product reliability and dependability
2	Training Support	Effectiveness of training programs organised for customer facing service teams
3	Product Support	Product range to offer to customers
4	Sales Support	Responsiveness of OEM Sales team
5	Product Support	Frequency of product updates

Top-5 Weaknesses

SN	Factor	Attributes
1	Parts Business Support	OEM’s buyback/ write-off policy of unsold/ deadstock inventory
2	Business Viability Support	OEM's openess to inputs in decision making
3	Business Viability Support	Concern on ensuring viability
4	Training Support	Training cost sharing arrangement of the OEM
5	Marketing & Sales Support	Margin on vehicle sales

Top Strengths & Weaknesses – CV

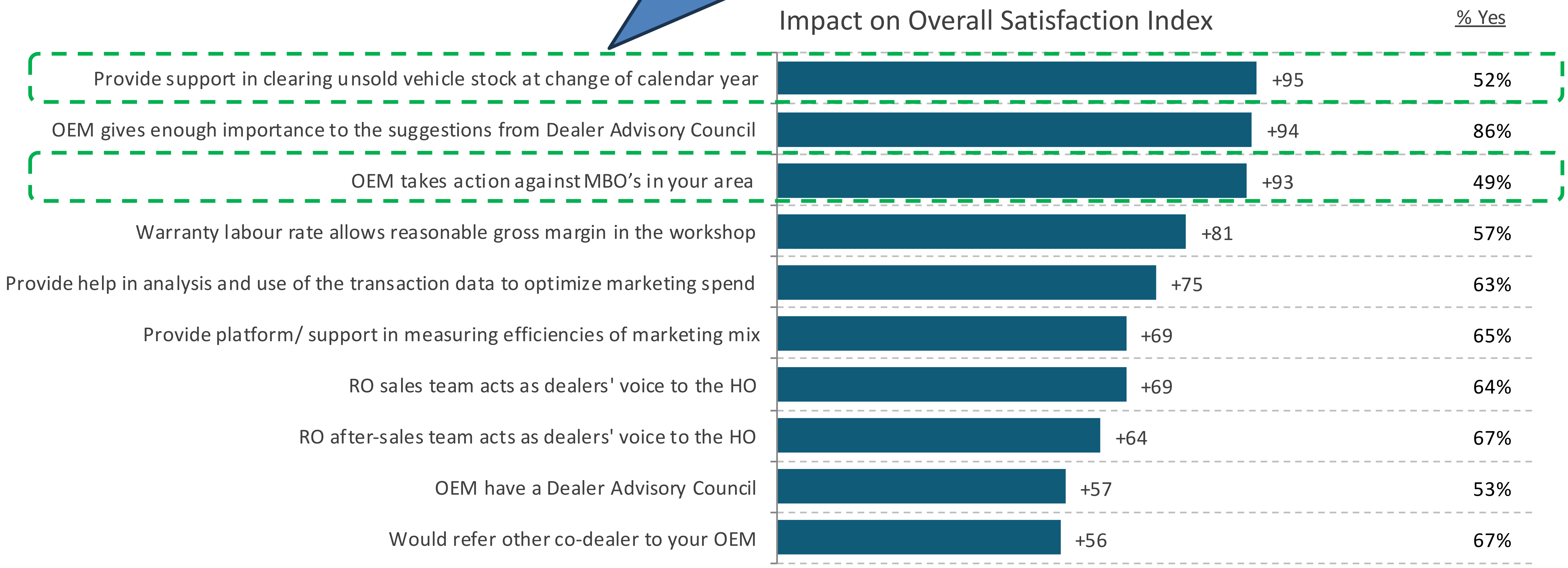
SN	Factor	Attributes
	Top-5 Strengths	
SN	**Factor**	**Attributes**
1	Product Support	Product reliability and dependability
2	Product Support	Product range to offer to customers
3	Product Support	Frequency of product updates
4	Business Viability Support	Support in arranging floor funding
5	Ordering & Delivery Support	Fairness in allocations of supplies (vehicle order) to all dealers in your city/ region

Top-5 Weaknesses

SN	Factor	Attributes
1	Training Support	Training cost sharing arrangement of the OEM
2	Parts Business Support	OEM’s buyback/ write-off policy of unsold/ deadstock inventory
3	Business Viability Support	Concern on ensuring viability
4	Management Policy Support	Overall profitability of dealership
5	Parts Business Support	Turn-around time for parts delivery

Future Opportunities

High Impact opportunities with headroom available for improvement



Conclusion - I

- DSS score is improving over the years across the industry with the increase in volumes, more so in 2W and CV, in 4W it remains same as last year
  - Hyundai Dealers are the happiest, followed by VECV and HMSI- winners in their respective categories
  - Honda Cars India is the most improved OEM over the last year performance
  - Maruti and Mahindra are the new entrants this year in the top 3 list.
- Business Viability & Policy gains in importance.
  - The biggest strength of the industry is product factor – generally dealers are happy with the quality, reliability, as well as the range of products that the OEMs offer.
  - Inventory handling – both vehicles and spares, especially the slow / non-moving inventories and the OEM policies on sharing inventory pressures remains the main improvement area

DEALER SATISFACTION STUDY 2023

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