



Survey of Dealership Satisfaction with DSP Vendors Products and Services

IN 2000, THE NADA INFORMATION TECHNOLOGY COMMITTEE COMMISSIONED ITS second research study to determine dealership satisfaction with their Dealer System Provider (DSP). The objective of the study was to help improve the quality of DSP's products and services. The research company selected to conduct this study, Friedman-Swift Associates, interviewed five groups of management personnel in dealerships nationwide to gain a broad perspective of DSP satisfaction: dealer principals and general managers, sales managers, office managers and controllers, service managers and parts managers.

For this study, Friedman-Swift interviewed 1,672 dealership personnel by telephone from December 2000 to February 2001. Saturn, Lexus and Infiniti dealerships were excluded from the study because their DSP vendors are factory-mandated.

Each DSP vendor included in this study had its survey data weighted to reflect estimated market share. The study was designed so that each DSP vendor's results would have a maximum margin of error of +/- 7.0 percent. The margin of error for the total sample was +/- 2.3 percent. A statistically valid sample was not obtained for PBS, AFS, and DPC; therefore, their individual results are not shown.

DSP vendors who achieved results statistically above the industry average in this study are shown in blue (see Figures 3, 6, and 9). Vendors whose results were statistically equivalent to the industry average are depicted in gray. Vendors with results statistically below the industry average are shown in red.

DSP Vendors Used in this Study	Estimated Market Share
ADP Dealer Services	36%
Reynolds & Reynolds	36%
Universal Computer Services (UCS)	9%
Adam Systems	4%
Autosoft	4%
PBS Financial Systems	4%
EDS Automotive Retail Group	3%
AFS Information Systems	1%
Auto/Mate	1%
DPC Systems	1%
Dubuque Data Services	1%
Jarvis Computer Software	1%

Survey results have been weighted to reflect estimated market share of each DSP vendor.

RESEARCH OBJECTIVES

The purpose of this study was to show DSP vendors how to better serve dealerships, with the goal being for every DSP vendor to achieve a 90 percent rating in overall satisfaction (similar to generally accepted CSI goals) as well as satisfaction with specific aspects of their services and products.

The triangle (Figure 1) depicts these fundamental measurements visually. At the base of the triangle is the *Overall Satisfaction* rate—how well DSP vendors meet dealerships' everyday needs. In the middle is the *Repurchase Intention* rate—how likely is a dealer to continue using the DSP vendor after the commitment term expires. At the very top is the *Recommendation rate*—how many dealership personnel are so pleased with their DSP vendor that they would recommend that vendor to other dealerships.

FIGURE 1



DEALER SATISFACTION WITH DSP VENDORS

Overall Satisfaction (Figure 2) with DSP vendors increased from an industry average of 66 percent in 1998 to 71 percent in 2001—an improvement over time, but still significantly less than NADA's 90 percent satisfaction goal. Though most other dealership employees are more satisfied with their DSP vendors, this is not true for dealer principals and general managers. Dealer principals and GMs gave DSP vendors a 63 percent satisfaction rating in 2001, a substantial decline from 79 percent in 1998.

Overall dealership satisfaction (Figure 3) varies significantly by DSP vendor, ranging from 86 percent satisfaction down to 58 percent. Those

FIGURE 2

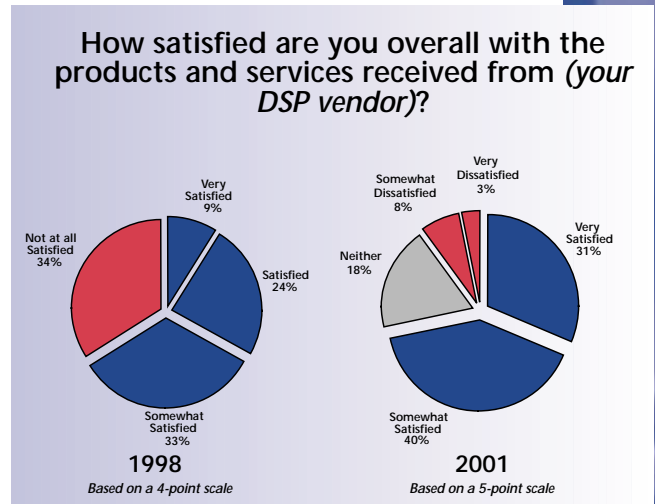


FIGURE 3

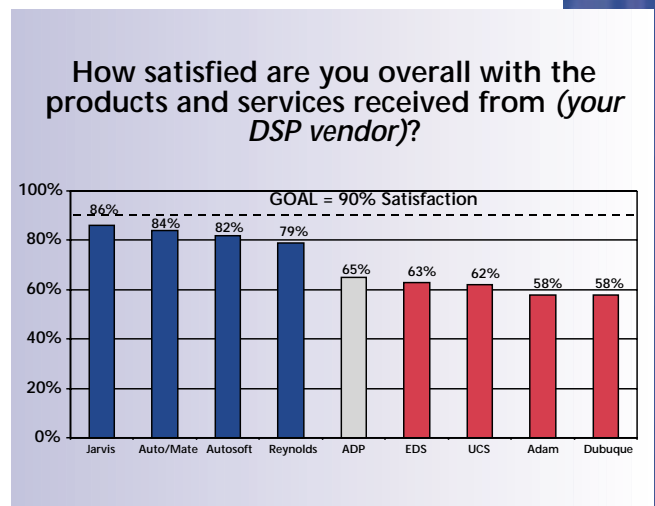
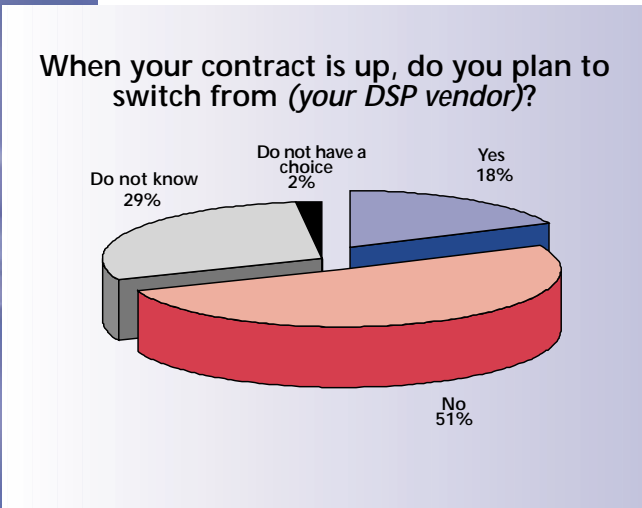


FIGURE 4



dealers with Jarvis or Auto/Mate systems are the most satisfied and statistically achieve the 90 percent goal, since their figures are within a 7 percent margin of error.

The industry *Repurchase Intention rate* (Figure 4) is 51 percent. As indicated in this graph, half of all dealers intend to renew their contract with their current DSP vendor; 18 percent plan to switch to another vendor, and 29 percent are not sure what they will do.

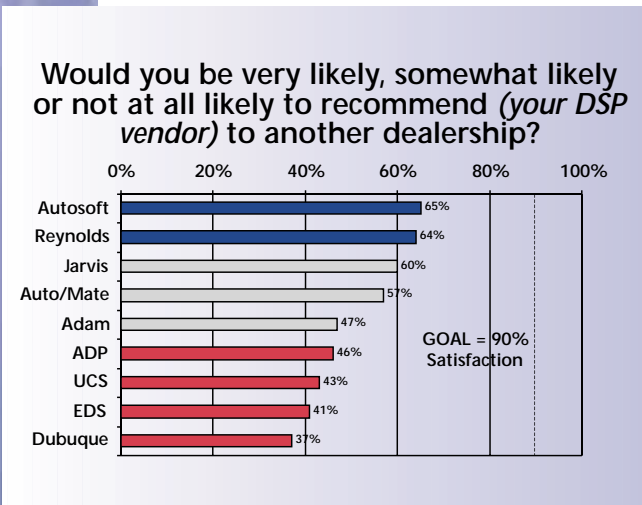
FIGURE 5



The *Recommendation rate* (Figure 5) is 54 percent; that is, slightly more than half of all survey respondents are very likely to recommend their vendor to another dealership.

The percentage of dealership personnel who are very likely or somewhat likely to recommend their DSP vendor to another dealer also varies by vendor, from a high of 65 percent to a low of 37 percent (Figure 6), with Autosoft and Reynolds & Reynolds ranking highest.

FIGURE 6



SATISFACTION WITH THE DSP SALES PROCESS

Most dealerships (45 percent) reported that their current contract with their DSP vendor is five years or longer (Figure 7). However, few dealers prefer this contract length. The most frequently mentioned preference is for a contract from one to three years (the choice of 29 percent of dealerships).

Overall, about half (53 percent) of dealer principals and general managers are satisfied with the fairness of their DSP contract. Slightly more dealers (55 percent) are satisfied with their DSP

salesperson's explanation of contract terms and provisions. One-fourth of all dealer principals and GMs (25 percent) do not believe they received what their DSP promised (Figure 8).

KEY DRIVERS OF DEALER SATISFACTION

Through statistical analysis the survey also identified what issues matter most to dealership personnel by examining which factors are correlated most with overall satisfaction. The three most important drivers of dealership satisfaction are:

- Customer service satisfaction, especially having problems fixed on the first call
- Flexibility of the software to be customized to meet dealership needs
- Effectiveness of technical training to help dealership personnel use the system

CUSTOMER SERVICE SATISFACTION

Most dealerships (76 percent) report that they are satisfied with their DSP vendor's customer service department (Figure 9), though this level is still significantly below NADA's target of 90 percent satisfaction.

About the same number of dealerships (73 percent) are satisfied with their DSP vendor's customer service department's ability to fix a problem correctly the first time they call. Fewer (63 percent) are satisfied with how long it takes for the customer service department to get changes and modifications made.

FIGURE 7

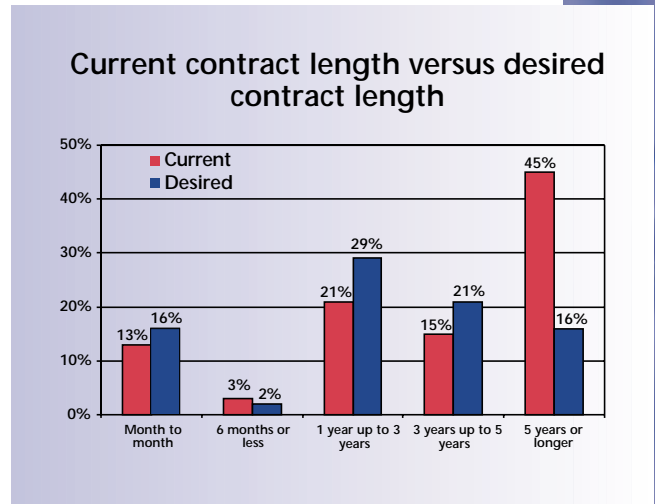


FIGURE 8

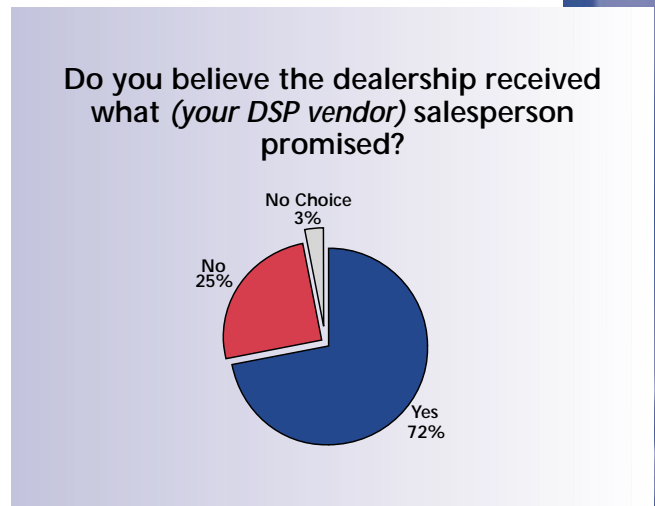


FIGURE 9

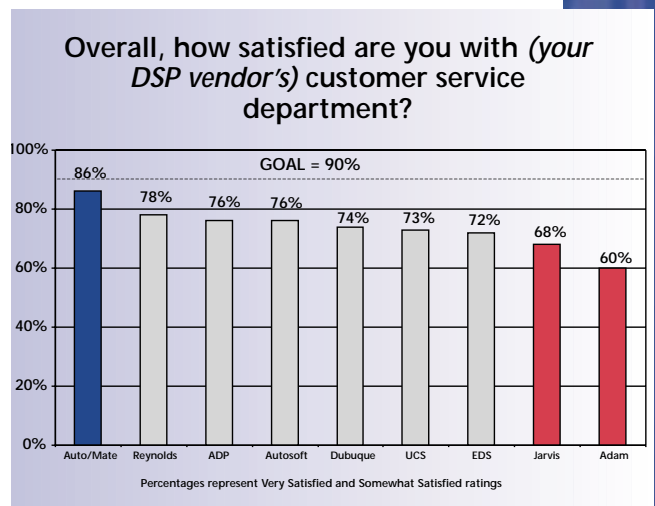


FIGURE 10

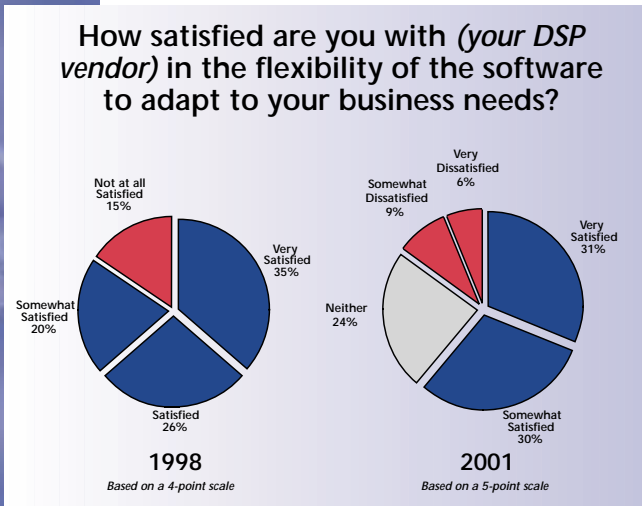


FIGURE 11

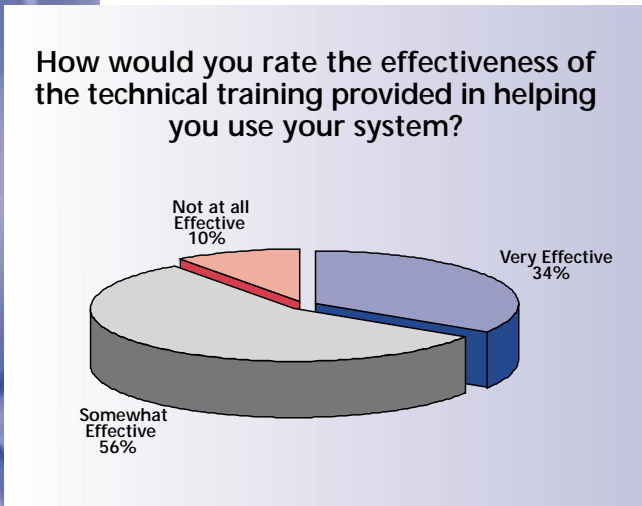
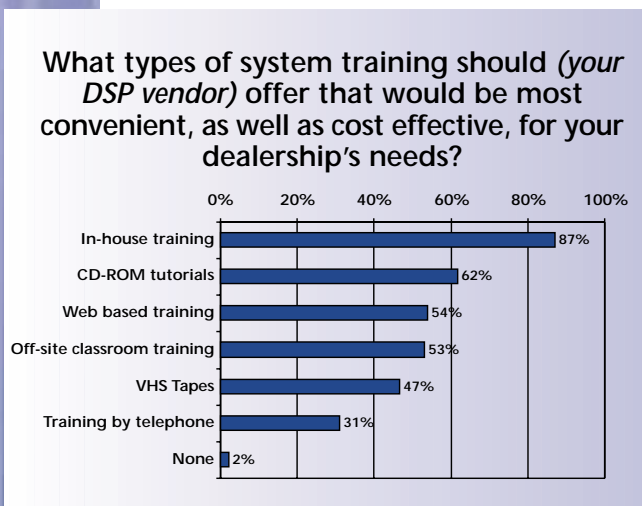


FIGURE 12



FLEXIBILITY OF THE SOFTWARE

Dealerships also place high value on the flexibility of DSP software to meet their needs; it is a key component of overall dealership satisfaction (Figure 10). Overall, only 61 percent of dealerships are satisfied with the flexibility of their DSP software.

As PC and Internet applications become mainstream requirements in virtually every dealership, it becomes increasingly important that the Dealership Management System (DMS) connects seamlessly with other applications. Though some DSPs have taken steps to do this, dealers are not satisfied with the results.

Overall, only 41 percent of dealership personnel are satisfied with their DSP's ability to access data through common software applications such as Microsoft® Word or Excel. Fewer (37 percent) are satisfied with their DSP's ability to access the Internet.

VENDOR TRAINING AND EDUCATION

About one-third of all dealerships rate the training (Figure 11) they received from their DSP vendor as very effective, and 10 percent of dealerships say it was not at all effective.

Taking into account all costs associated with training, including travel, lost time on the job and other direct and indirect costs, 16 percent of dealerships reported that their DSP training was not at all cost-effective.

In terms of convenience and cost-effectiveness (Figure 12), dealership personnel decidedly

preferred in-house training to other forms, with CD-ROM tutorials as the second choice. Web-based training and off-site classroom training are ranked below these two options, with only about half of survey respondents preferring these methods.

SUMMARY

Though overall dealership satisfaction with DSP vendors has modestly improved since 1998, it is still significantly below NADA's goal of 90 percent satisfaction throughout the industry. The detailed results of this survey have been provided to each of the DSP vendors so that they can understand what they need to do to better serve the needs of dealerships today.

The complete survey results are available on NADA's Web site (www.nada.org). First select Member Services then select Members Only and enter your NADA username and password (e-mail webmaster@nada.org if you require assistance). Select Technology then select DSP Survey to review the complete results.

Information about DSP vendors mentioned in this study can be obtained by calling the numbers below:

Adam Systems	(800) 676-2262
ADP Dealer Services	(800) 588-6710
AFS Information Systems	(800) 797-6773
Auto/Mate	(800) 371-3970
Autosoft	(800) 473-4630
DPC Systems	(817) 731-4060
Dubuque Data Services	(800) 382-3733
EDS Automotive Retail Group	(800) 345-6337
Jarvis Computer Software	(800) 657-4499
PBS Financial Systems	(800) 872-1316
Reynolds & Reynolds	(800) 767-7879
Universal Computer Services (UCS)	(800) 231-6347



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