



What's driving Automotive Loyalty in Australia?

Ipsos Loyalty Automotive Norms - July 2010



Ipsos Loyalty
The Customer and Employee Research Specialists



What we did

For this report we've decided to take a look at car buyer loyalty, specifically...

- *What's driving satisfaction amongst Australian car owners?*
- *How do factors like Trust and Quality impact their loyalty to car brands?*
- *What about NPS? Loyalty?*

What's driving satisfaction among Australian car owners?

Performance of the car is the key driver of overall satisfaction with the brand, followed by the way complaints are handled.

Items like “Customer service after the sale” and “Payment process” have very little to do with driving overall customer satisfaction.



Automotive is the highest scoring industry on all Brand Drivers

Notably higher than most industries on **popularity, relevance, satisfaction and quality.**

Most **trusted** industry amongst those covered.

Strong scores on **affinity and relevance** lining up with highest levels of involvement amongst all industries covered.

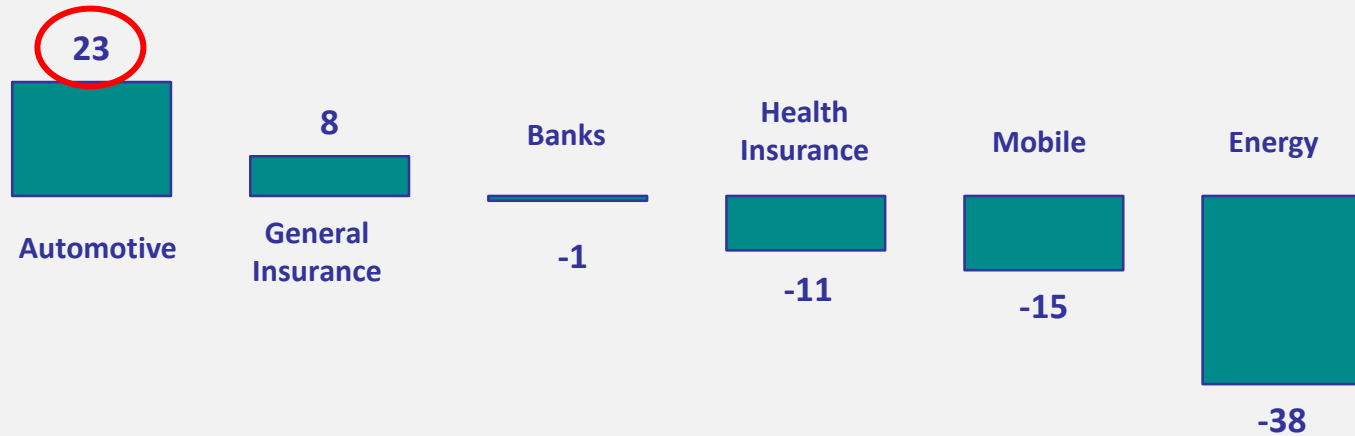
Industry performance across a selection of Ipsos Brand Drivers

SATISFACTION		QUALITY		TRUST		AFFINITY	
Automotive	71	Automotive	59	Automotive	51	Automotive	36
General Insurance	65	Banks	48	General Insurance	49	Banks	32
Banks	57	General Insurance	46	Banks	49	General Insurance	26
Health Insurance	56	Health Insurance	42	Health Insurance	42	Health Insurance	21
Mobile	54	Mobile	39	Mobile	35	Mobile	19
Energy	39	Energy	29	Energy	29	Energy	15

Shifting gears to NPS – how does Australia Automotive NPS compare to other industries and countries?

- Automotive also has the **highest NPS (+23%)** of all industries measured and is one of only two (along with General insurance) in positive territory
- However, looking at a global level Australian Automotive NPS is ranked fourth lowest.
- Automotive NPS is much higher among **Females (+35%)** as opposed to males (+13%) and among **those aged 55-65 (+52%)** and, to a lesser extent, **those aged 45-54 (27%)**.

Net Promoter Score



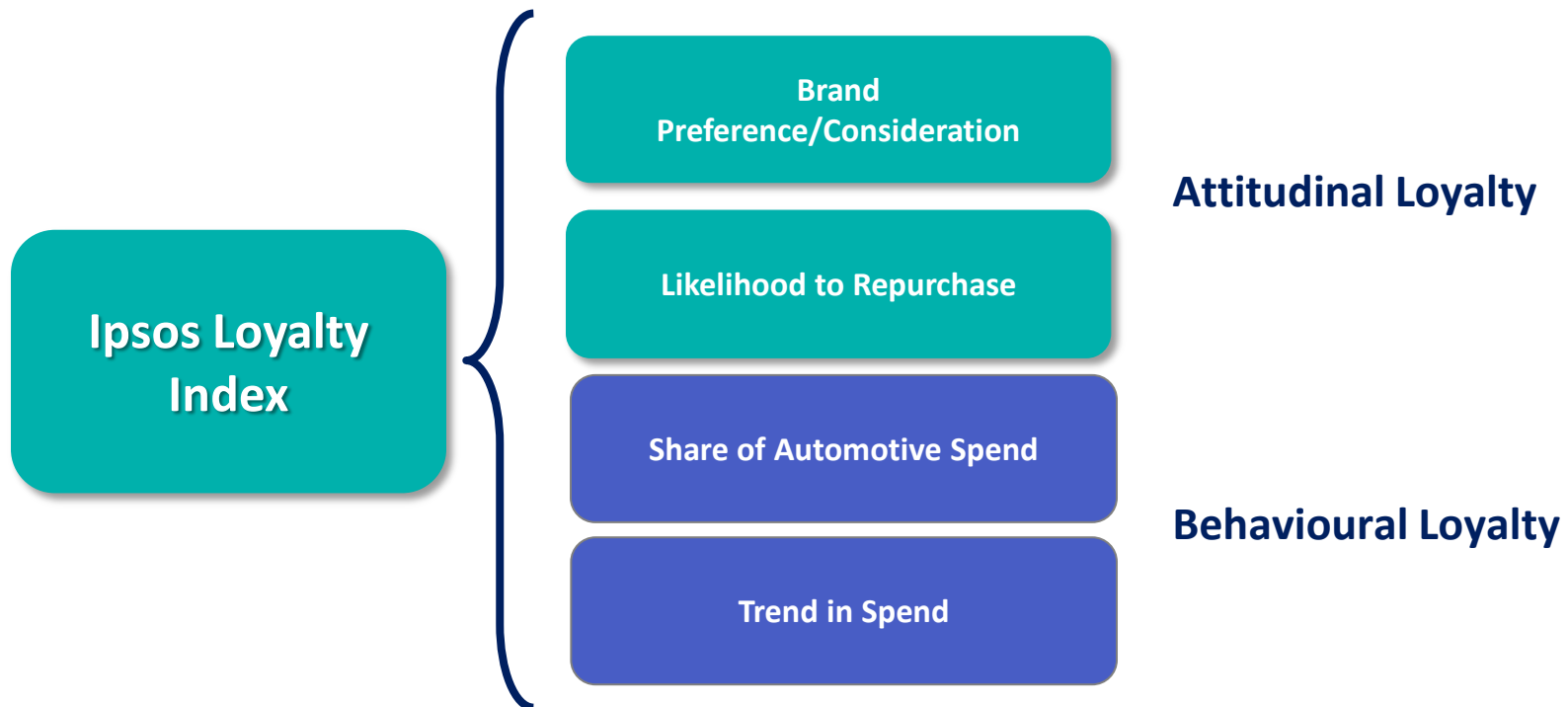
Taking a look at Automotive NPS scores across the globe...

MEXICO	CHILE	BRAZIL	ARGENTINA	US	GERMANY	INDIA	CHINA	CANADA	UK	AUSTRALIA	SPAIN	RUSSIA	FRANCE
60	57	47	46	42	38	34	32	28	25	23	18	15	11

NPS is good... but Loyalty is better

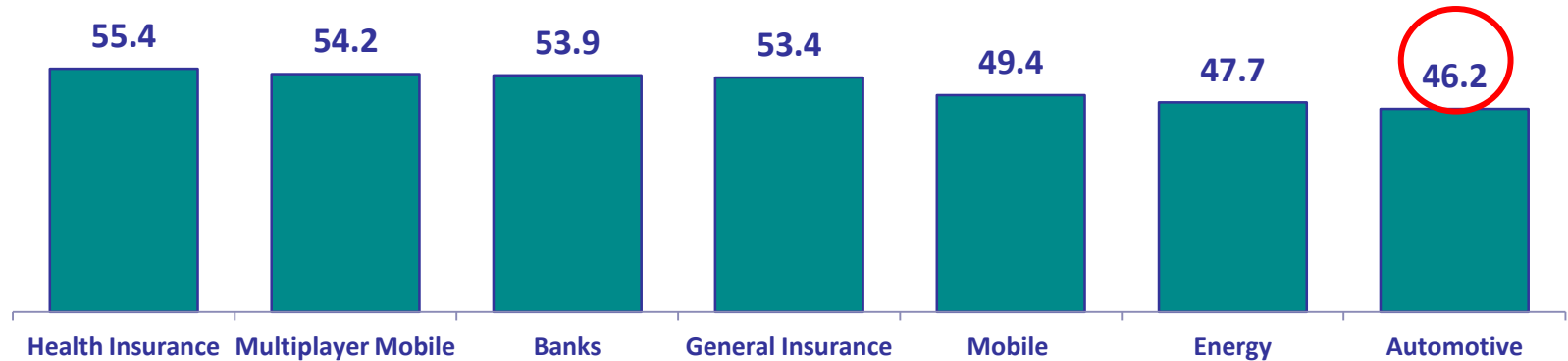
Ipsos Loyalty has created an index which provides a indicator of customer future behaviour. The Ipsos Loyalty Index provides:

- Multiple indicators provide a better measurement of loyalty than any single question. The Ipsos Loyalty Index is a single-figure composite of four key measures.
- The Loyalty Index consists of attitudinal and behavioural components as shown below



How does Australian Automotive loyalty compare to other industries?

- When looking at the Ipsos Loyalty Index, Automotive receives the lowest scores across all industries studied.



- Why is the Loyalty Index lower amongst Automotive?

Likelihood to continue and **share of past behaviour** are driving down the Loyalty Index.

Brand Preference		Likelihood to continue		Trend in recent behaviour		Share of past behaviour	
Automotive	76	General Insurance	82	Energy	61	Health Insurance	85
General Insurance	72	Health Insurance	80	Automotive	51	Energy	77
Banks	72	Banks	79	General Insurance	36	General Insurance	76
Mobile	67	Mobile	79	Mobile	30	Banks	75
Health Insurance	66	Energy	75	Banks	29	Automotive	68
Energy	49	Automotive	60	Health Insurance	16	Mobile	63

What is affecting Automotive customer loyalty?

- Automotive buyers are **most likely to shop around** for the best deals (50%, highest among all industries by a large margin).
 - Also illustrating this point is the proportion of “deal seekers” (highest at 7%) in comparison to other Australian industries.
 - Of course the relative size of the purchase in dollar terms will be a key factor here.
 - In line with Loyalty Index results, males are the most likely to say they would find it easy to switch brands (41%) and least likely to stick with the same manufacturer (26%).

You can get what you want from many providers		You would find it easy to change from provider to another		You always actively look for new offers and check that you are getting the best deal from your provider		You tend to stick with the same provider	
Automotive	33	Automotive	38	Automotive	50	General Insurance	50
General Insurance	31	General Insurance	35	General Insurance	33	Mobile	50
Mobile	28	Mobile	26	Banks	26	Banks	50
Energy	26	Energy	26	Health Insurance	22	Health Insurance	47
Banks	25	Banks	24	Mobile	20	Energy	38
Health Insurance	24	Health Insurance	22	Energy	18	Automotive	28

What does this all mean?

- While **differentiation** in the Auto industry is highest (39%), so too is **competitiveness** with 33% thinking they can get what they want from many providers
- In addition, 38% say they would find it easy to switch from one manufacturer to another and automotive customers say they are the least likely to stick with the same manufacturer (28%).
- High NPS and Brand Preference scores are not translating to loyalty (defined as **repeat purchases**).
- Clearly making cars that meet the needs of customers is a baseline requirement but car manufacturers need to go a step further and connect the dots between critical touchpoints of the car buyer experience and repurchase.



Want to know more?

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